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NEWS SUMMARY

GENERAL

Uganda capital falls to invaders

Uganda's capital Kampala finally fell to Tanzanian-backed Ugandan exiles, and remaining pockets of resistance were being mopped up last night.

President Idi Amin was said to have fled the city to a new military headquarters a few miles to the east. He is expected to leave shortly for his northern stronghold beyond the Nile.

The country will initially be administered by the Uganda National Liberation Front, a Ugandan-exile Government, led by Dr. Yusuf Lule, a 67-year-old academic. Back Page. Editorial Comment, Page 22

Times hopes fade

Hopes of a resumption of the Times Newspapers publications by next Tuesday were fading last night as Dugal Nisbet-Smith, the company's general manager, said a "very drastic" change in attitude by some union leaders was needed. Page 12

More executions

A further 11 of Iran's most prominent politicians and military officers under the Shah were executed before daybreak, bringing to 93 the number who have gone before firing squads.

Peru climbdown

Peru's military government has been forced to give in to a group of hunger striking journalists and to promise to re-open to magazines and political pamphlets closed three months ago on "political security" grounds. Page 4

Soldier killed

One British soldier was killed and another seriously ill after their patrol was fired on in the Whiterock area of Belfast.

Egypt referendum

President Anwar Sadat ordered a referendum for next Thursday to seek approval for the peace treaty with Israel and to ask if Egyptians want a general election. Meanwhile, artillery duels continued for the second day between Palestinians and Israelis around the Lebanese town of Tyre.

Tornado deaths

Texas City was the worst hit area as tornadoes left a trail of death and destruction along the Texas-Oklahoma border, killing at least 48 people and injuring an estimated 850.

Lord Frederick

Prince and Princess Michael of Kent's son will be called Frederick Michael George David Louis, said a Kensington Palace announcement. His title will be Lord Frederick Windsor.

Killer blast

At least 50 people were feared killed and 60 injured after explosions wrecked a fireworks factory in Rawalpindi, Pakistan.

Solicitor quits

Belfast solicitor Donall Murphy resigned from the Northern Ireland Police Authority, claiming his persistent warnings about allegations of ill-treatment of suspects had been ignored.

Rhodesia attack

Rhodesian authorities announced a second strike within 12 hours against guerrilla bases in Zambia but denied reports of a third attack.

Briefly...

Bandleader Jack Parnell will leave Pentonville Prison today after serving eight weeks of a three month sentence on a drink-driving charge.

Eight prison officers convicted of conspiring to assault inmates after the Hull Prison riots in 1976 are to appeal against their sentences.

BUSINESS

Equities gain 3; sterling falls 1½c

● EQUITIES saw light selling before a technical recovery helped to raise demand and the FT 30-share index closed 3 points up at 538.7.

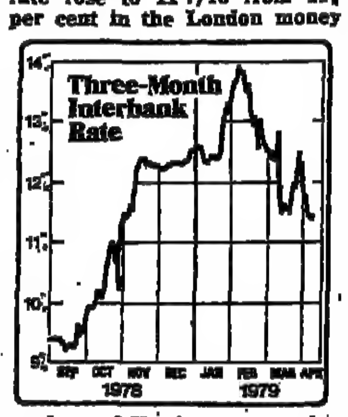
● GILTS made early gains on suggestions that the medium tap stock was over-subscribed, but longs lost up to ⅜ following after-hour indications of a rise in the inflation rate. The Government Securities Index was unchanged at 75.80.

● STERLING fell 1½ cents to \$2.0870, and its trade weighted index dropped sharply to 67.3 (67.8). DOLLAR'S trade-weighted index fell from 85.4 to 85.3.

● GOLD fell \$2¾ to \$236⅝ in London.

● WALL STREET was 5.97 down at 872.75 near the close.

● INTERBANK three-month rate rose to 11 7/16 from 11¼ per cent in the London money market following seven-day lending by the Bank of England.



● PRICE COMMISSION'S index of notified rises in the six months to end of March shows that the inflation rate was 11.8 per cent as an annual rate, the highest level since the summer of 1977. Back Page

● CARTER Administration is claiming victory for its pay policy after the Teamsters Union accepted a three-year deal, ending a 10-day strike in the U.S. road haulage industry. Back Page

● CRUDE OIL prices could rise again from the end of June unless the West cut consumption and Iran kept up high output, Saudi Arabia has warned. Iran is expected to decide its new crude oil price by the weekend. Back Page

● WIGGINS TEAPE, the paper company, may have to close its pulp mill in North-West Scotland which employs 450 people as it is now outdated. Page 7

● UK EXPORTS to West Germany are causing concern as the rate of sales growth is slipping, specially in the manufactured goods sector. Page 6

LABOUR

● CHRYSLER UK is seeking state aid to avoid redundancies among the 1,500 workers laid off in the Midlands because of trouble at the Iranian car company which imports components. Page 12

● BL MANAGEMENT proposals to introduce pay parity on a plant-by-plant basis were condemned by leaders of the striking skilled workers, who are to continue the stoppage. Page 12

COMPANIES

● SUITS independent directors are to oppose the £42.9m increased offer from Lonrho, while two directors, Sir Hugh Fraser and Mr. Jack Gossman, gave qualified support. Page 29

● BABCOCK & WILCOX, the engineering and contracting group, saw pre-tax profits rise 23 per cent to £39.6m (£32.3m) in 1978. Page 24 and Lex

● W. H. SMITH and Son (Holding) pre-tax profits were little changed at £20.2m for the 53 weeks to February 3. Page 24 and Lex

Trade union reform is Tories' priority

BY PHILIP RAWSTORNE

CONSERVATIVE proposals for the reform of industrial relations last night became the first major battleground of the general election campaign.

Mrs. Margaret Thatcher, in an abrasive speech in North London, promised that trade union reform would be the priority of a Conservative Government.

The party manifesto, published earlier yesterday, pledges action against the closed shop and secondary pickets, and threatens cuts in social security benefits for strikers' families.

Labour and trade union leaders reacted fiercely last night: Mr. Len Murray, TUC general secretary, criticised the Tories' "mish-mash" of ill-thought out ideas.

The manifesto also said a Conservative Government would maintain a tight grip on public sector pay while withdrawing from pay bargaining in private industry.

The industrial relations reforms constitute one of the main bases on which Mrs. Thatcher pledged her party to "rebuild the economy and reunite the people."

The other main elements would be:

● *Income tax cuts at all levels* and other tax changes, the first of which would be introduced in an immediate Budget.

● Denationalisation of aerospace, shipbuilding and freight and a sustained reduction of Government intervention in industry generally.

The manifesto declares: "We make no lavish promises... Too much has gone wrong in Britain for us to hope to put it all right in a year or so."

But it adds: "The years of make-believe and false optimism are over. It is time for a new beginning."

Mrs. Thatcher stressed last night: "We shall not wait until there is another industrial crisis on our hands to bring about the changes that everyone knows are needed."

Conservatives wanted to avoid confrontation—but would not be deterred by it, she said.

Mrs. Thatcher, presenting the manifesto at a London Press conference, brusquely dismissed suggestions of a confrontation with the unions.

"After we have been elected, trade union leaders will work with a Conservative Government because that is our democratic tradition," she declared.

"But until we have been elected, they are just as much entitled to their own political opinions as anyone else."

The Tory leader said she was convinced that a larger section of the country's 12m trade union would be voting Conservative that never before. "I believe we will get a great deal of co-operation," she added.

But the manifesto—though offering the tempting prospect of a "high-productivity, high-wage, low-tax economy"—firmly promised to tilt the balance of power away from the unions.

Strikes were too often a weapon of first rather than last resort, the manifesto declares.

"One cause is the financial treatment of strikers and their families. In reviewing the position, therefore, we shall ensure that unions bear their fair share of the cost of supporting those of their members who are on strike.

Mr. James Prior, employment spokesman, made it clear that talks would be held with the unions who would be given time to build up their funds.

"The whole emphasis is to place more responsibility on official trade union leaders... it could make a big contribution to union discipline."

The manifesto, however, proposes further curbs on union militancy.

Legal safeguards would be introduced against secondary picketing and the right to work would be protected. "Violence, intimidation and obstruction (by pickets) cannot be tolerated," it says.

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Other election news Page 10 ● Manifesto details Page 11 ● Lombard Page 20
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The main points

● Substantial cuts in income tax and changes to the capital transfer and capital gains taxes.

● Strict control of money supply an dgradual reduction in State borrowing. Waste to be eliminated in Government.

● Secondary picketing to be curbed and existing law on immunities immediately reviewed. Changes in way strikers are treated for tax purposes.

● Change in the law covering closed shop and introduction of a statutory code under Employment Protection Act enforcing secret ballot before closed shop could be established.

● "Responsible pay bargaining." No Government intervention in private sector. Cash limits to be applied strictly in public sector.

● Role of National Enterprise Board to be reduced. Recently nationalised aerospace and shipbuilding concerns to be offered back to private shareholders.

● New curbs on immigration in line with last year's eight-point plan.

● Competition bodies, including Price Commission, and British National Oil Corporation to be reviewed.

● Devaluation of Green Pound and freeze on EEC common agricultural prices for products in surplus.

● Increased spending on police and defence. Spending on National Health to be protected from public expenditure cuts.

● New system of shorthold tenure to bring more rented accommodation on to the market. Council houses to be sold at cut prices.

● Direct grant schools to be restored.

Civil Service pay dispute hopes rise

BY PAULINE CLARK, LABOUR STAFF

A REVISED pay offer to civil servants last night raised Government hopes that a settlement to the civil servants' national pay dispute was in sight before the Easter weekend.

The executive of the Civic and Public Services Association, the biggest civil service union and representing mainly clerical grades, agreed to recommend acceptance of the latest pay offer.

But the country's major air and sea ports continued to face the prospect of serious disruption to holiday traffic from today. Leaders of the Society of Civil and Public Servants, to which most customs and immigration officers belong, were still considering the last-minute improvement in the 9 per cent offer and have yet to make a decision.

Members of the society working in customs barriers at Heathrow Airport, London, Gatwick and the Port of Dover brought forward by 24 hours to this morning their plans to step up industrial action over the Easter holidays.

Although the CPSA had decided not to involve its air traffic control members in seriously disruptive action over the week-end, it said existing selective industrial action would continue while consultations with members take place.

Holidaymakers also face disruption at Luton Airport where 200 manual workers threatened action over the week-end in support of a pay claim.

They announced a work-to-rule from tomorrow in support of a 15 per cent claim; they are also refusing the employment of 17 temporary staff for the holiday period. The municipally-owned airport has offered 9 per cent to the manual workers who include baggage handlers and security staff.

The delays their action are likely to cause will come on top of the hold-ups which will occur at Luton and elsewhere if the customs and immigration officers carry out their threats.

The SCPS members plan to restrict the number of passport checkers over the weekend. At the same time customs staff plan to increase the length of queues by insisting on rigorous checking of baggage.

Mr. Peter Simpson, Heathrow customs branch secretary, said: "We will search every bag coming through. The letter of the law will be applied to every passenger, and this will inevitably lead to long delays — possibly four hours."

Pound and gilts fall

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING and gilt-edged prices fell sharply yesterday afternoon. But the check to the recent euphoria in financial markets came too late to affect the outcome of yesterday's offer by tender of gilt-edged stock and the issue was heavily over-subscribed.

The fall in both the pound and gilts prices reflected a combination of profit-taking after recent rises and market concern about rising U.S. interest rates and inflation prospects in the UK.

The trade-weighted index, measuring sterling's value against a basket of other currencies, fell 0.5 to 67.3 after a day's high of 67.9. The main weakness came in the later afternoon following the announcement of a rise in the Price Commission's index of notified price increases.

The pound dropped by nearly 1½ cents against the dollar to \$2.0855, after the announcement, and closed 1½ cents down at \$2.0870.

These movements were reflected in the gilt-edged market. Prices of long-dated stock were ½ of a point higher at one stage, but fell later and were up to ⅜ down after hours.

This will affect the opening price of the new gilt stock, £800m of 11 per cent Exchequer 1991. Only £15 per cent had to be paid yesterday, with the next call on May 14, and this explains the attractions for those wishing to take a speculative position over the election.

The Bank of England announced last night that all allotments had been made at a price of £97.50 per cent, com-

Continued on Back Page

£ in New York

	April 10	Previous
Spot	\$2.1000-1010	\$2.1060-1070
1 month	0.27-0.22 dis	0.18-0.13 dis
3 months	0.55-0.48 dis	0.46-0.41 dis
12 months	1.25-1.15 dis	1.05-0.95 dis

Brascan shareholders may oppose bid for Woolworth

BY JOHN WYLES IN NEW YORK

THE BOARD of Brascan yesterday faced the possibility of organised opposition by a group of shareholders to the company's \$1,125bn (£537m) cash bid for F. W. Woolworth.

This emerged as the Woolworth board was meeting in New York to decide its attitude to the Canadian company's proposed offer of \$35 a share, which was launched without prior warning on Monday. While Woolworth shares remained suspended on the New York Stock Exchange, they were traded on the Boston and Midwest exchanges in Chicago in the \$31-32 range.

However, a potential leader of a stockholders' revolt at Brascan emerged yesterday in the shape of Edper Equities, which announced that it was abandoning its plan to offer C\$327.6m (£136m) for more than 11m Brascan shares announced at the same time as Brascan's bid for the U.S. retailer. This would have raised Edper's stake in Brascan to around 50 per cent.

Edper is a Canadian investment company two thirds owned by Edper Investments, controlled by Edward and Peter Bronfman, cousins of Mr. Edgar Bronfman, chairman of Seagram Company. Edper's legal counsel, Mr. J. Trevor Eyton, said yesterday that Edper was scrapping its plans because of Brascan's bid for Woolworth.

Pointing out that Edper already owned 5.3 per cent of Brascan's stock, Mr. Eyton said that the Woolworth bid was not in the best interest of Brascan's shareholders. After analysing last year's Woolworth results, Edper had concluded that the acquistion would leave Brascan with a negative cash flow of C\$100m a year, largely because of debt service costs.

Brascan plans to finance the acquisition with \$425m of company funds and a \$700m bank loan. Mr. Eyton said that several major Brascan shareholders had expressed concern to Edper, which was assessing its position as one of the company's leading shareholders.

If Woolworth decides to fight, it may well be able to count on some support among Brascan stockholders.

As well as worrying about the impact of Brascan's balance-sheet, Edper and some of the company's other shareholders apparently believe that Woolworth is the wrong sort of acquisition for a company with no retailing experience.

Panel criticises merchant banks

BY TIM DICKSON

THE ACTIONS of merchant banks S. G. Warburg and Lazard Brothers in the course of a major takeover bid have been described as "unfortunate" by the City Takeover Panel.

The panel was referring to the statement issued by Rockwell International of the U.S., on the advice of Lazard and *Warburg, which indicated that* Rockwell would be prepared to bid 95p a share for the UK motor components group Wilmot Breeden.

Later Rockwell, through Warburg, bought 30 per cent of the British company at 115p a share, and followed this with an offer for the remaining *shares at the same price.* The contrast between the two prices has since ben the subject of anxious consideration by the panel.

In a lengthy statement yesterday the panel says it hesitates to describe hte action of Warburg and Lazard as "an error of judgment."

But while it emphasises that it has no fault to find in Rockwell's conduct, it feels "less happy" about some aspects of the two advisers' share in the way the offer developed.

The panel says that great care is needed in operations designed to affect the market, and that in a clearer case it would not hesitate to invoke General Principle 5.

General Principle 5 provides that it must be the object of all parties to a takeover or merger transaction to use every endeavour to prevent creation of a false market in the shares of an offerer or offeree company.

The Panel makes clear that Rockwell itself did not wish to put out a statement.

But Warburg and Lazard told the panel that they considered themselves obliged to announce the price because in their view there was a false market in Wilmot Breeden shares.

The figure of 95p was likely to be below that of an eventual offer, says the panel, and there would have been some advantage in waiting to see what happened at meetings about to take place, and which contributed substantially to Rockwell's *reappraisal of Wilmot* Breeden's value.

Last night Warburg said that it continued to feel that what it did was entirely within the spirit of the Takeover Code.

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PUBLISHERS NOTICE

The Financial Times will not be published tomorrow, Good Friday, or Easter Monday. It will be published on Saturday as usual.

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For latest Share Index phone 01-246 8026

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
A.B. Electronic	240	+ 8
Arenson (A.)	120	+ 4
Bellway	110	+ 4
Eagle Star	164	+ 7
Gibbs Mew	162	+ 18
Guardian Royal Ex.	278	+ 18
Harrison (T. C.)	135	+ 9
Hirst & Mallinson	47	+ 5
Imperial Group	106½	+ 3½
Keyser Ullmann	77	+ 4
Peachey Property	127	+ 5
Pearl Assnce.	294	+ 12
Plaxtons	160	+ 9
Pleasurama	129	+ 7
Slough Estates	170	+ 7
Taylor Pallister	108	+ 8
Tilling (T.)	158	+ 6
UDS	123	+ 7
Wilmot-Breeden	115	+ 8
Consd. Gold Fields	233	+ 7
Pancontinental	725	+ 25

FALLS		
Aberthaw Cement	115	— 5
Bambers Stores	285	— 12
Brown and Jackson	478	— 27
Burton "A"	300	— 8
England (J. E.)	27	— 4
Lee Refrigeration	75	— 9
Minet	156	— 6
Owen Owen	136	— 10
Smith (W. H.) "A"	174	— 21
Smiths Inds.	234	— 6
Walker and Holmer	12¼	— 2¼

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Italy turns to hydro-electric power

BY RUPERT CORNWELL IN ROME

ENEL, the state electricity agency, has announced a drive to exploit to the full Italy's unused hydro-electric power resources, in an attempt to tackle the increasingly threatening problem of future energy supplies.

At the same time, Industry Ministry experts are finalising plans, which could be announced later this month, to fulfil Italy's promise of a 5 per cent cut in oil consumption in 1979. This was made to the International Energy Agency in Paris, and is also Common Market policy.

Both moves highlight Italy's growing difficulty in securing adequate energy supplies, the increasing cost of oil after the series of price rises this year, and the painfully slow progress of its civil nuclear programme.

Sig. Francesco Corbellini, the new president of ENEL, declared that exploiting hydro-electric resources could yield the equivalent of an extra 2,000 MW of power from either nuclear or conventional power stations, an amount equal to the total increase in output between 1977 and 1978.

But it was, he warned, "a drop in the ocean of energy which Italy will require," and Sig. Corbellini reiterated that a country so dependent on imported oil had no choice but to press ahead with a coherent nuclear energy programme.

However, Italy's plans to have eight nuclear power plants on stream by 1985, already beset by bureaucratic and environmentalist obstacles, have been further menaced by the radiation leak at the Harrisburg plant in the U.S. Despite affirmations by officials that Italian technology is safer than that now used in the U.S., magistrates have begun investigating the safety of Italy's one modern nuclear plant in operation, the 850 MW installation at Caorso, 80 km south-east of Milan.

Meanwhile, it has been estimated that the recent OPEC rises could add at least L1,000bn ($570m) to the oil import bill. Energy demand, largely in response to the present industrial upswing, is well above that of 1978, and it was reported yesterday that over the past six months consumption, at 55m tons of imported oil, had outstripped deliveries by 8m tons, implying a sharp rundown of stocks.

The conservation measures the Government is studying include closing petrol stations at weekends and on public holidays, lowering speed limits, and curbing advertising, public lighting, private car use at weekends and home heating.

However, the imminent elections cast doubt on all such plans above all on the idea, also under study, of raising the price of petrol at the pump to L600 a litre (£1.57 a gallon), from the present L500.

Turkey re-opens talks with IMF

By David Tonge

TURKEY and the International Monetary Fund (IMF) yesterday began two days of top-level talks aimed at ending the deadlock in their relations. Mr. Ziya Muezzinoglu, the Turkish Finance Minister, flew to Zurich to join Mr. Jacques de Larosiere, the IMF's managing director. Also present, according to one report, was Herr Walter Leisler Kiep, the Finance Minister of Lower Saxony, who has been co-ordinating Western attempts to put an emergency package together.

The Western countries and, separately, the banks which have been considering making new loans to Turkey, have insisted that Turkey repair its relations with the IMF. Turkey has still to be allowed to make the third drawing, due last November, of its $450m stand-by agreement with the IMF.

For long months, the main difficulty was the conditions which the IMF was attaching to further drawdowns, but in recent weeks the IMF has begun to accept the seriousness of the political problems facing the present Turkish Government. It is now more worried about the Government's insistence on keeping secret any commitments which it may make.

Mr. Muezzinoglu is understood to have been somewhat reluctant to travel to Zurich, apparently being concerned at the domestic criticism he could face as "the man who sold out to the IMF." While the IMF, is apparently concerned about the critical stage reached in Turkish-IMF relations, Turkish diplomats express optimism. On Tuesday, President Carter asked the U.S. Congress to approve $150m in additional aid for Turkey. He also said he hoped Britain, France and West Germany would "more than match this."

Portugal party calls for new electoral alliance

BY OUR LISBON CORRESPONDENT

Prof. Diego Freitas do Amaral

PORTUGAL'S SMALL Christian Democratic Party (CDS) has called for a democratic electoral front uniting Centre-Right forces to fight general elections as early as September this year.

At a news conference in Lisbon yesterday, Professor Diego Freitas do Amaral, the CDS leader, said the Front would be designed to wrest power from what he called the Left-wing majority in Parliament (meaning the Communists and Socialists) and give it to the Centre-Right.

The Front, as seen by Prof. do Amaral, would be based on the CDS and include the badly split opposition Social Democrats (PSD), breakaway Social Democratic deputies, dissident Socialists and the tiny Popular Monarchist Party, unrepresented in the Assembly.

Since the Social Democrats split, the Christian Democrats, with 41 seats in the house, have become Portugal's major parliamentary Opposition.

The Socialists, with 101 seats, and the Communists with 40 out of a total 263, are not formally allied, but frequently join forces in the debating chamber on important votes.

CDS officials described the proposed front as an alternative to the suggested broad democratic alliance mooted earlier this month by Prime Minister Carlos Moto Pinto. Sr. Pinto's suggestion received only lukewarm response from the elected parties which fear such initiatives will erode further the authority of Parliament and the development of a Western European style of democracy here.

Prof. do Amaral said the proposed Front would, if conditions were right, press for elections this autumn as a way of breaking the "Left's domination in the Assembly."

Only if the Front could be sure of doing this, he said, would it be justified in calling for a ballot, a year before another general election must be held.

Meanwhile, the non-party Cabinet should remain in office and its new budget and economic plan, due to be presented shortly should be approved by Parliament, Prof. do Amaral said.

The eight-point proposal says the front, would select a Prime Minister by consensus from its ranks and also choose a presidential candidate.

The driving philosophy behind the proposed new group would be "humanist" and "democratic" and cornerstones of its proposals include a revised Constitution.

constitution, revitalised private sector initiatives, and economic modernisation harmonised within the framework of the Common Market.

W. Germany to test alternative motor fuels

By Leslie Colitt in Berlin

WEST GERMANY is preparing to launch one of the most ambitious programmes yet to test alternative car fuels by equipping 800 private and company cars to run on mixtures of petrol-methanol, alcohol-diesel oil and hydrogen.

The Ministry of Research and Technology is supporting the project with DM 135m (£34m) and West German motor and oil companies are contributing DM 25m.

Cars using an 85 per cent petrol and 15 per cent methanol mixture will require the replacement of a few plastic engine parts, at a cost of about DM 200 a car. Hundreds of West Berlin drivers have already applied to take part in the three-year test. If they complete it, they will be entitled to a government rebate of 15 per cent of the car's purchase price.

Some 800 cars of all German makes, of which 200 are to be privately owned, will be powered by the petrol-methanol blend, with 200 more running on hydrogen mixtures or on 95 per cent alcohol and 5 per cent diesel oil stored in two separate fuel tanks.

Each driver will have a coded card to insert into an electronic fuel pump, together with the car mileage.

Basle urges delay for nuclear plant

BY JOHN WICKS IN ZURICH

BASLE'S urban and rural cantonal governments say it would be irresponsible for the federal authorities to grant a building permit now for a nuclear power station at Kaiseraugst, seven miles from the city.

The two cantons are to present their case to Mr. Willy Ritschard, Federal Minister of Transport and Energy, in the light of a meteorological report for the Upper Rhine area. The Kaiseraugst project has already been the centre of controversy. Sit-ins and demonstrations have been held on the site and an information centre there was recently destroyed by an explosion.

The meteorological report, published in December, referred to climatic alterations which could arise from the simultaneous operation of three nuclear power stations on the Swiss and German banks of the Rhine. It suggested that mist would be increased, especially in winter, but considered a change in precipitation as a result of the cooling towers to be improbable.

Basle urban government says no hasty measures should be taken at present and that it shares the misgivings of much of the population as a result of the Harrisburg incident in Pennsylvania. The cantonal government will recommend the convening of a new, independent commission to examine the safety of existing and approved nuclear plants in view of the latest developments.

Ireland hold talks on oil price increase

BY OUR DUBLIN STAFF

THE IRISH GOVERNMENT and the major oil companies met yesterday to discuss the effects of the oil shortage in the country and to consider whether the price of fuel should be increased.

The meeting came amid calls for the declaration of a state of emergency to relieve the fuel position, which has been brought on partly by the dock strike and partly by shortfalls following the Iranian crisis.

Mr. Desmond O'Malley, Minister for Industry, Commerce and Energy, has been resisting pressure from the oil companies for an increase in prices. All of them have applied for a rise, thought to range from 4p to 6p a gallon. Mr. O'Malley was expected to have a recommendation from the National Prices Commission at the meeting, and there seems little doubt that he will eventually have to sanction a fuel price increase.

The shortage of diesel oil is said to be seriously affecting the farming industry, as farmers are finding it difficult to obtain new supplies for machinery.

Mr. Paddy Lane, of the Irish Farmers Association, has called for an inquiry into the present scarcity, to establish whether it is in large part contrived by the oil companies in order to make "the kind of profits they made out of the last oil crisis."

Lufthansa deal averts stoppage

BY ADRIAN DICKS IN BONN

EASTER holiday flights by the Government-owned airline, Lufthansa, and its charter subsidiary, Condor, will go ahead normally after an agreement last night between management and unions over improved career structures for pilots.

A threat of disruption to holiday traffic grew during protracted negotiations with the German staff federation, which had rejected an agreement reached with the public service union. Labour relations at Lufthansa have been troubled from time to time by rivalry between the two unions.

The new agreement offers better promotion prospects to Lufthansa pilots, who felt themselves at a disadvantage compared to colleagues at Condor.

In another development yesterday, negotiations for 300,000 bank staff ended in a 4.5 per cent pay rise, plus extra holiday time that will make the average about six weeks.

Among outstanding wage negotiations, only those for the printing industry still appear to be in difficulty. The printing union, IG-Druck, called token strikes in Munich earlier this week, but does not seem to be in any mood to take further action at present. It is still pledged to achieve progress towards the 35-hour week, which was the issue at the root of last winter's steel dispute.

Meanwhile the trade union-Allied Economic and Social Science Institute, in Duesseldorf has issued its own figures for the 1978 wage round. Although the nominal 5.2 per cent average increase was one of the smallest for many years, the institute finds that the combination of low inflation and high increases in fringe benefits made 1978 one of the most successful years of the past decade in real terms, for trade unions efforts. The institute does not offer a precise valuation of the increase in real incomes.

Jamaican leader seeks to boost trade with USSR

BY DAVID SATTER IN MOSCOW

MR. MICHAEL MANLEY, the Jamaican Prime Minister, yesterday met Mr. Alexei Kosygin, the Soviet Premier, for talks which were believed to focus on Jamaica's desire for Soviet trade and assistance to counter the country's mounting economic difficulties.

The Soviet news agency Tass gave few details of the meeting in the Kremlin beyond saying that it passed in a "friendly atmosphere" and the two sides agreed that the development of relations was in both countries' interest.

The Soviet Press, however, has given support to Jamaica in its troubles with the International Monetary Fund (IMF) and the Jamaicans have made clear that, faced with severe IMF pressure and falling prices for their raw materials, they want to increase trade with the Soviet Union and Eastern Europe, whose centrally planned economies create markets they consider potentially more secure.

The Soviet foreign affairs weekly New Times, in its most recent issue, said that Jamaica's burden of foreign debt had forced the country last year to accept a $240m loan from the IMF on "onerous terms."

These terms, which included a 30 per cent currency devaluation and a limit on wage increases, "hit the working people" and were intended to "augment the profits of foreign and domestic capitalists," the journal said.

France worried by threat of Olympic ban

By David White in Paris

CONTROVERSY over two planned South African rugby tours of France has caused the first, by an all-white Transvaal side, to be called off, on the recommendation of the French Government. The second, by the national team, the Springboks, which may include non-white players, is due to go ahead in October.

Pressure is building up for the Government to stop the Springbok's visit, especially since the threat of an Olympic ban against France

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Redemption Notice

City of Oslo (Norway)

9% Sinking Fund External Loan Bonds due May 1, 1985

NOTICE IS HEREBY GIVEN, pursuant to Fiscal Agency Agreement dated as of May 1, 1970 under which the above described Bonds were issued, that Citibank, N.A., Fiscal Agent, has selected by lot for redemption on May 1, 1979 through the operation of the Sinking Fund, $944,000 principal amount of said Bonds at the Sinking Fund redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected by lot for redemption are as follows:

BOND NUMBERS

M12	1119	2846	4231	5574	7000	7954	9806	11157	12464	13256	14435	15225	16210	17170	18072	19131
80	1123	2848	4254	5576	7025	7981	9830	11171	12465	13276	14460	15229	16215	17183	18077	19134
91	1140	2850	4275	5598	7048	7999	9906	11173	12476	13289	14476	15240	16240	17210	18091	19140
126	1177	2854	4389	5614	7056	8024	9926	11179	12481	13303	14487	15245	16282	17216	18096	19143
132	1202	2857	4400	5639	7094	8049	9947	11180	12495	13310	14505	15257	16289	17246	18108	19150
141	1208	2865	4402	5712	7153	8058	9955	11211	12515	13333	14522	15272	16307	17261	18130	19154
216	1239	2902	4409	5724	7163	8075	9974	11241	12522	13343	14547	15291	16321	17270	18203	19160
220	1245	2932	4414	5791	7166	8130	9992	11251	12533	13356	14570	15318	16334	17291	18216	19167
229	1300	2933	4451	5813	7186	8165	10006	11267	12551	13382	14575	15327	16364	17298	18265	19175
232	1311	2960	4472	5843	7197	8193	10024	11300	12552	13401	14582	15331	16385	17320	18281	19177
234	1318	2977	4517	5858	7235	8226	10038	11332	12557	13453	14587	15343	16391	17329	18319	19191
236	1402	3008	4521	5890	7244	8268	10051	11358	12560	13462	14597	15361	16408	17349	18362	19199
237	1416	3046	4542	5893	7256	8351	10065	11386	12565	13479	14606	15372	16452	17363	18380	19209
238	1447	3058	4624	5950	7270	8364	10088	11418	12593	13510	14611	15381	16483	17387	18403	19223
245	1455	3067	4660	5977	7281	8407	10173	11434	12607	13526	14617	15402	16513	17400	18417	19231
258	1468	3078	4666	5999	7288	8426	10211	11466	12624	13539	14637	15410	16522	17412	18440	19248
272	1480	3084	4675	6005	7316	8450	10289	11485	12640	13555	14644	15412	16547	17430	18445	19256
311	1496	3099	4690	6019	7331	8491	10331	11495	12643	13574	14652	15428	16557	17440	18454	19263
336	1509	3128	4734	6062	7353	8499	10339	11513	12655	13602	14665	15437	16566	17456	18486	19357
424	1520	3145	4750	6111	7372	8576	10349	11524	12678	13626	14670	15458	16573	17468	18506	19360
435	1555	3164	4761	6121	7390	8581	10355	11533	12711	13651	14679	15471	16600	17484	18521	19368
459	1562	3175	4791	6133	7406	8620	10359	11560	12714	13677	14685	15493	16619	17500	18538	19375
481	1693	3312	4810	6139	7418	8684	10360	11583	12726	13686	14687	15512	16641	17517	18554	19394
484	1701	3323	4827	6161	7431	8689	10380	11598	12729	13718	14766	15520	16651	17535	18567	19396
526	1733	3352	4836	6171	7444	8753	10398	11614	12740	13741	14783	15528	16661	17541	18585	19398
538	1836	3407	4845	6173	7463	8784	10401	11629	12748	13788	14791	15531	16680	17547	18605	19409
543	1877	3416	4853	6185	7494	8836	10440	11635	12785	13800	14806	15567	16700	17574	18620	19428
546	1947	3432	4861	6217	7519	8874	10443	11646	12797	13824	14809	15576	16706	17601	18656	19453
631	1959	3448	4876	6283	7526	8948	10450	11650	12807	13836	14823	15663	16718	17619	18678	19460
634	1968	3449	4881	6294	7531	8953	10494	11658	12810	13854	14839	15678	16727	17624	18686	19506
647	1970	3694	4916	6375	7539	8975	10517	11666	12818	13875	14856	15695	16734	17636	18701	19531
684	2027	3713	4926	6391	7544	9002	10532	11823	12822	13932	14873	15718	16757	17653	18708	19561
691	2051	3716	4932	6416	7554	9009	10546	11836	12836	13948	14889	15730	16772	17703	18717	19579
728	2062	3745	5132	6441	7568	9063	10558	11841	12849	13983	14899	15801	16775	17751	18724	19600
730	2115	3750	5155	6460	7588	9099	10572	11851	12866	13995	14908	15807	16785	17779	18763	19603
753	2236	3772	5194	6466	7594	9146	10590	11877	12869	14005	14923	15820	16790	17791	18785	19630
758	2251	3799	5201	6477	7609	9159	10610	11896	12879	14109	14941	15831	16801	17821	18795	19643
770	2262	3808	5204	6498	7641	9170	10628	11902	12885	14142	14965	15890	16829	17894	18805	19710
788	2285	3811	5210	6519	7657	9177	10647	11915	12913	14195	14980	15906	16878	17907	18828	19716
808	2316	3826	5214	6555	7695	9198	10656	11956	12917	14205	14999	15923	16891	17948	18839	19734
822	2361	3831	5220	6572	7707	9217	10674	11967	12931	14216	15017	15951	16903	17963	18867	19747
840	2369	3900	5292	6603	7731	9350	10760	11969	12939	14230	15024	15967	16919	17975	18873	19755
909	2373	3919	5319	6616	7770	9387	10780	12019	12988	14254	15032	15988	16943	17983	18878	19771
929	2405	3928	5341	6629	7773	9419	10794	12076	13030	14296	15046	15994	16960	17997	18897	19789
935	2415	3960	5360	6638	7781	9463	10809	12125	13047	14311	15063	16001	16978	18003	18919	19811
958	2439	3967	5376	6650	7804	9540	10865	12193	13076	14321	15101	16037	17010	18008	18934	19844
963	2482	3976	5383	6670	7824	9593	10964	12216	13106	14379	15119	16057	17021	18012	18943	19863
981	2528	3990	5401	6679	7825	9596	10985	12243	13114	14385	15151	16067	17033	18016	18953	19887
995	2554	4011	5411	6727	7855	9622	10998	12245	13130	14391	15155	16077	17056	18022	18975	
1024	2557	4031	5432	6754	7868	9688	11003	12247	13145	14398	15161	16101	17060	18027	19006	
1042	2565	4087	5455	6806	7886	9704	11015	12308	13160	14399	15173	16108	17064	18033	19044	
1094	2615	4098	5474	6813	7890	9718	11031	12376	13187	14405	15184	16123	17080	18038	19062	
1106	2697	4174	5497	6822	7905	9756	11046	12393	13196	14407	15190	16143	17098	18041	19065	
1109	2745	4184	5502	6875	7912	9768	11058	12395	13221	14412	15201	16163	17107	18047	19086	
1110	2758	4204	5554	6974	7913	9786	11085	12414	13235	14417	15208	16171	17121	18054	19102	
1113	2837	4206	5589	6987	7934	9791	11119	12435	13241	14422	15213	16188	17137	18064	19119	

On May 1, 1979 there will become due and payable upon each Bond selected for redemption the said redemption price, together with interest accrued to the date fixed for redemption. Payment of the redemption price of the Bonds to be redeemed will be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts thereon, upon presentation and surrender of said Bonds, with all coupons appertaining thereto maturing after the date fixed for redemption, at the **Corporate Trust Office of Citibank, N.A., Municipal Bond Processing Window, 20 Exchange Place, 17th Floor, New York, N.Y. 10043** and subject to applicable laws and regulations, at the main offices of Citibank, N.A., in Amsterdam, Brussels, Frankfurt (Main), London, Milan and Paris. Payment at the offices of Citibank, N.A. in Europe referred to above will be made by check drawn upon a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

On and after the date fixed for redemption interest on said Bonds will cease to accrue. Coupons due May 1, 1979 should be detached from the Bonds and presented for payment in the usual manner.

For the CITY OF OSLO (NORWAY)
CITIBANK, N.A.
as Fiscal Agent

March 29, 1979

Yugoslav-Bulgaria dispute heats up

By Paul Lendvai in Vienna

MRS. TSOLA DRAGOICHEVA, a senior Bulgarian party leader, has accused the Yugoslav leadership in a television interview of "hysterical" anti-Bulgarian feelings.

Mrs. Dragoicheva, a member of the ruling Communist Party's Politburo, denied Yugoslav accusations of Bulgarian territorial claims maintained that it is Yugoslavia which, in the guise of concern for Bulgaria's non-existent Macedonian minority, is encroaching on the territorial and ethnic integrity of Bulgria.

Mrs. Dragoicheva was reacting to a series of sharp and personal attacks in the Yugoslav media in connection with her recently published memoirs. While explicitly denying any territorial claims against Yugoslavia and recognising "the realities created after World War II, including the Macedonian Republic integrated in the framework of Yugoslavia," she nevertheless protested against what she called a gross distortion.

The Bulgarians refuse to recognise the existence of a Macedonian nation and of a Macedonian minority in the Pirin region.

Regardless of political colours, most Bulgarians regard Macedonians as Bulgarians speaking a slightly different dialect. In contrast, the Macedonians, who constitute a federated socialist republic within Yugoslavia, assert their own national identity.

Swindling the state has become commonplace in Eastern Europe. **Paul Lendvai** reports from Vienna

Black marketeering causes red faces

A RISING tide of economic crime, ranging from petty thefts to the misappropriation of state funds, from bribery of party and state officials, to a wide variety of black market dealings, is causing growing concern to the regimes in eastern Europe.

Fraud, theft, and speculation are usually associated with the shadowy world of the so-called "second economy" or "parallel market." In contrast with the conventional western image of the Communist-type regimented economy, centrally planned controlled and managed with the precision of clockwork, this vast "second economy" is based on production and exchange carried out directly for private gain and more often than not consciously in breach of existing laws and regulations.

Illegal dealings and corruption also present serious problems in many western and Third World countries. But the Communist Governments are alarmed not only by the losses, running into hundreds of millions in local currencies. Economic crimes are seen as points of political and ideological infection, posing a threat both to the legitimacy and purity of the Soviet model.

Even in the Soviet Union more than 60 years have not sufficed to change human nature and to produce a new "Socialist man."

Moscow Pravda of December 24 last printed a lurid account of the highly profitable activities of black market operators who used the facade of a training workshop for the deaf in the town of Kazakh in Azerbaijan to manufacture knitwear. The products were marketed illegally in 32 distant cities in the Ukraine and Russia proper. This totally illegal business flourished for five years. Its scale can be gauged from the fact that as many as 56 individuals were sentenced to long terms after an 11-months long trial in the Ukranian city of Donetsk.

Because of their closer contacts with Western neighbours, their comparatively larger private sector, and different lifestyles and traditions, the smaller Eastern European states provide more promising breeding grounds both for big-time operators and embezzlers.

The key factor is that the workers, accountants and members of the lower ranks of officialdom refuse to think of "Socialist property" (i.e. State property) as something that belongs to them. Comprehensive figures of the damage caused are difficult to obtain. In Czechoslovakia official statistics show that there is an average of between 14,000 and 15,000 cases of theft of social property each year. As a Polish paper once put it, swindling the State has become so common that it has almost become respectable. It is however important to note that undetected offences cause much larger losses than the official figures would indicate. Hungarian experts estimate that on the basis of the most cautious calculations damage done to State property totals the equivalent of £15m-£20m annually in addition to the £5m caused by 25,000 petty and major offences recorded by the authorities in 1976.

It is possible to discern four main, though frequently overlapping groups of so-called economic criminals. The first and most numerous group is composed of ordinary workers. Despite the introduction of so-called "Comrades' Courts," the Eastern European Press cites many cases of pilfering. The chauffeur in Warsaw who, though employed by a ministry, carries private passengers during the rush hours, or the lorry driver of a collective farm in Hungary who transports building materials for private individuals are among the most commonly quoted examples to show that almost everyone is searching for something on the side.

In Hungary for example one-in-five State-owned vehicles inspected last year was involved in some kind of illegal activities. In Czechoslovakia lorry drivers forged returns of their fuel consumption and sold the unused fuel vouchers to the garage attendants who in turn sold diesel oil to drivers of foreign lorries. Some 700,000 litres of diesel oil were misappropriated in this way. Some of the culprits built themselves weekend houses with the proceeds or even opened accounts in Austrian and German banks.

The pattern of crime is different in a second category, composed of white-collar employees in the socialised production, trade and distribution apparatus. The offences are mainly but not exclusively embezzlement, fictitous purchases, making out false inventories. In Poland for example the unending series of trials of meat black marketeers always involve gangs of at least a dozen employees, often led by the factory manager himself. At the latest trial last year in the city of Radom, 25 workers and employees of the local meat processing plant were sentenced to terms, ranging from one to seven years for theft and illicit trading.

"Why didn't you tell us you were coming to visit? Joseph thought you were the police."

The increasing number of private cars and the inability of the regimes to satisfy mounting popular demand for more, coupled with difficulties with servicing and spare parts have also given a powerful fillip to the "second economy."

Here, too, groups are in a much better position than are lone operators to carry on large-scale fraudulent acitivties for a considerable time. The Number Three centre of Merkur, the Hungarian state agency for sale and purchase of cars in the city of Pecs, between 1971 and 1977 took 117 detected bribes, ranging from £5-£120. In exchange, the manager and the eight employees provided cars in good condition and almost immediately, passing over other intending buyers who were waiting. Proceeds were collectively distributed, even those on holiday or sick leave getting their due share.

The chief of the subsidiary office of a Hungarian civil engineering company in West Germany, Mr. Ferenc Farkas, ran a much more sophisticated operation. He and his successor engaged with dozens of employees in foreign exchange speculation, partly by financing holidays for their German friends in Hungary with forints at a black market rate, partly by purchasing pocket calculators, video recorders and similar coveted luxuries which could be brought in duty free by engineers and technicians whose term of stay in Germany had expired. The three main culprits smuggled goods into Hungary to the tune of some £60,000.

This category of white collar employee also tends to play the role of a "transmission belt" linking legal and illegal private enterpreneurs both with pilfering workers and the lower and middle echelons of the state and managerial bureaucracy.

Motor mechanics and market gardeners, carpenters and shopkeepers when faced with stringent controls or exorbitant tax and rent increases are often all but forced to resort to bribery if they want raw materials or a beter location for their business. The transition from "legal" to "illegal" operation is usually swift, depending on the political climate. This in turn means that the private artisans and shopkeepers form the third group of potential "criminals."

Among the many reports of economic crimes in eastern Europe, those about a fourth group of economic offenders, the corrupt state and managerial bureaucrats, have attracted special attention. Recent examples from Romania provide some insight. The Romanian Press last autumn discussed the case of Mr. Gheorghe Stefanescu, whom it described as "probably the greatest scoundrel in recent history." Though claiming only a nominal monthly income of £70, Mr. Stefanescu made 17m lei or about £700,000 by selling untaxed wine and spirits after bribing managers of state liquor shops. More than 20 accomplices, including directors of wine cellars, court officials, and even Mr. Tudor Balatice, the first secretary of the capital's eighth district party committee, were arrested.

Mr. Marin Simion, 39, was another ingenious operator and a black market millionaire in Bucharest. This underground entrepreneur obtained large quantities of plastics and machinery on the black market, organised the production of toys and other consumer goods, employed labour, and distributed the products through a network of business contacts. On trial, he gave his profession as an unskilled labourer. Mr. Simion possessed an eight-room house on a fashionable boulevard, and could afford not only a maid but also a large American car with chauffeur.

During the trial it came to light that the speculator had been sentenced before in 1972 for illegal enrichment, but had apparently never paid the fine. Scinteia, the Bucharest party paper, left open the question how he and several other big-time operators had repeatedly managed to escape punishment. In three weeks last October the police reportedly arrested 197 people for various black market activities. Nevertheless, it is

President Nicolae Ceausescu of Romania is second to none in eastern Europe in insisting on "socialist ethics" and launching public campaigns against the violations of Communist morality. Punitive measures, including even the execution of a high foreign trade official in 1973 for taking a bribe of £60,000 from foreign business partners, and the purge of the two last Ministers of Housing and Construction as well as of several Central Committee members for alleged misuse of office may have frightened would-be offenders, but crime continues.

Last November the former First Secretary of Neamt county and at the time Romanian ambassador to Bulgaria, Mr. Stefan Bobos, was expelled from the party and several local dignitaries lost their jobs because of "serious irregularities" involved in the construction of six sumptuous villas in the picturesque mountain resort of Piatra Neamt. As a result Mr. Ceausescu imposed a ban on the construction of weekend houses or second flats. Henceforth Romanian families may own only one flat.

But the black market operators and petty offenders continue to operate in an environment which has not proved conducive to the "moral transformation of Socialist man."

Chronic shortages of high quality consumer goods and from time to time even of basic commodities coupled with the quest of the lower-rank officials for status symbols such as cars, weekend houses, and travel to the West are bound to cause an atmosphere of institutionalised creeping corruption and a deformation of public morality. To make things worse, the privileged life-style of the top political establishment with access to special shops, a fleet of luxury cars, foreign trips, elegant homes for a nominal rent, virtually unlimited expense accounts and even access to selected hospitals reserved for the officialdom, is in striking contrast with what is supposed to be an "egalitarian ideology."

Hong Kong dollar falls again

By Anthony Rowley in Hong Kong

THE HONG KONG dollar declined further yesterday to a low of around $HK5.1550 to the U.S. dollar before reported intervention by the authorities brought a slight recovery.

While there has been no confirmation of official intervention, dealers suspect it. Official policy is to smooth out abnormal fluctuations in the exchange rate rather than to stem any sustained, underlying trend. But there are reasons for thinking that the authorities are trying to stop the rot at around $HK5 to the U.S. dollar.

Apart from the effect which the Hong Kong dollar's slide is having on the already very wide trade deficit, some dealers think the psychological impact of letting the local unit sink much further could be marked on the local investment community as well as in the foreign exchange market.

This could discourage capital inflows, which have been considerable in sectors such as property, and even encourage outflows, which in turn would have a further adverse effect on the Hong Kong dollar.

The trade-weighted exchange rate of the Hong Kong dollar, based on a basket of currencies, fell to 90.6 yesterday against 91.5 on Tuesday. This compares with an index of around 104 a year ago—a fall of nearly 13 per cent.

Egypt will permit Israel to bid for Sinai oil search

BY DAVID LENNON IN TEL AVIV

ISRAEL WILL be entitled to bid for oil exploration concessions in Egypt on the same basis as any other body, according to a senior Egyptian oil official. This would apply especially to the Sinai peninsula which Israel will be handing back to Egypt under the peace agreement signed two weeks ago.

Egypt is planning to invite bids for "relinquished areas," according to the Egyptian General Petroleum Corporation, and Israel would be entitled to submit bids.

Mr. Ibrahim Radwan, the Corporation's general manager (agreements), said: "Israel has got the same rights as any other body. There is no reason why Israel should not submit bids for economic participation with Egypt."

Mr. Yitzhak Modai, Israel's Energy Minister, said yesterday that he had been given to understand, in meetings with Egyptian officials that Israel would be entitled to make commercial exploration bids. He said he hoped to meet his Egyptian counterpart soon to work out the details of this and other future arrangements.

Mr. Modai said that Israel would consider bidding for exploration concessions in those areas of Sinai where Israel had already been carrying out oil and gas searches.

This would not apply to the Alma oil field discovered and operated by Israel in the Gulf of Suez because this was in a concessionary area already granted to Amoco. This field is due to be handed over to Egypt by the end of the year.

Egypt has not yet allocated the concession for a series of blocks which lie between the current border and the interim line to which Israel will withdraw within nine months.

Israel has explored part of this area, stretching from the east to the Bardawil Lagoon to El Arish on the north Sinai coast and to the north and south of that area. Three wells were sunk, and, though no oil was found in commercial quantities, the rig did hit good gas shows. Israel suspended the work there a few months ago, as the peace process appeared to be nearing a conclusion.

Meanwhile, Mr. Menahem Begin, the Israeli Prime Minister, has said that Israel's plans to build more Jewish settlements on the occupied West Bank and in the Gaza Strip will not be affected by its peace treaty with Egypt.

In an interview in a number of local papers yesterday he said: "Israel has the full right to settle in Judea and Samaria (the West Bank) and Gaza. That is essential for the security of the nation."

Mr. Begin denied a report by one of his Cabinet Ministers that the Government had decided to begin building 10 new settlements on the West Bank during the Passover holiday week, which started last night.

However, Israel radio reported that a meeting of senior Cabinet Ministers, including Mr. Begin, had decided on Tuesday evening to start work immediately on two new settlements on the West Bank. One will be an urban centre beside Nablus, one of the West Bank's largest towns, and the other will be a regional centre to serve other Jewish settlements built in the occupied territory.

Ihsan Hijazi adds from Beirut: Rocket and artillery duels raged across the Lebanese-Israeli border yesterday between Palestinian guerrillas and the Israelis in the wake of Tuesday's air strike by Israeli jets against Palestinian targets in Southern Lebanon.

The Israelis reported that a woman was slightly wounded in Kiryat Shmoneh and that their gunners returned the fire.

11 more of the Shah's top men executed

TEHERAN—Eleven more top officials of the Shah's Administration have been executed by firing squad after secret trials by revolutionary courts.

They included two former Savak chiefs, General Hassan Pakravan, who was also an ambassador to France and Pakistan, and General Nasser Moghadan, a former Speaker of the Majlis (Iran's former Lower House of Parliament) Abdollah Riazi, and Mr. Abbas Ali Khalatbari, a former Foreign Minister.

So far 90 people have been executed after secret trials following the revolution in February. Nearly half were carried out in the past week since regulations on political trials were announced.

The charges against the men included corruption, collaboration with the Shah's regime and "acts against the people."

Agencies

Simon Henderson writes from Tehran: The full degree of post revolutionary chaos in the Iranian armed forces was revealed this week when foreign military attaches had their first meeting with the new Supreme Commander's staff at a reception in the capital. They found that neither the Iranian army nor navy was represented.

The three officers there, General Nassir Farbod, the Chief of Staff, and the deputy commander of the air force, were all wearing civilian clothes. The attaches were surprised by the officers' ignorance and apparent lack of authority.

Attaches estimate only about 150,000 soldiers are in their barracks — the rest have deserted. Air force technicians, who switched loyalty to Ayatollah early on, still form a significant part of the revoluitonary militia.

The future of the armed services is seen as either a reconstituted force with normal chains of command or as an army of committees with each unit electing NCO's, officers and commanders. The first is favoured by Mr. Medhi Bazargan, the Prime Minister, and Iran's middle classes, while the Left-wing guerrillas, the Fedeyeen, and the Islamic guerillas, the Mujaheddin, favour the latter.

The resolution of these differences is seen as potentially the most dangerous crisis facing Iran over the next few months. A likely third party to any fighting is a revolutionary guard now being formed from direct supporters of Ayatollah Knomeini.

Indian troops on patrol—with traditional infantry equipment

INDIAN DEFENCE REQUIREMENTS

Modernising the military

BY K. K. SHARMA IN NEW DELHI

WITH MORE than 1m men under arms, India's Defence Ministry is finding that its elaborate plans for providing adequate arms are obsolete. A French defence five-year plan has been formulated which will focus on manufacture of modern armaments within the country. But inevitably foreign collaboration and tie-ups have to be made for the modernisation programme.

A high-power defence team is now in Europe visiting shipyards to evaluate the performance of submarines. As in the case of the Jaguar deal with British Aerospace, under which India will buy 40 aircraft outright and manufacture another 120 in plants to be established in India, the Defence Ministry is seeking arrangements by which submarines can also be made in a new shipyard to be established.

The team is holding talks with companies in France, West Germany, and Sweden after rejecting offers from the Netherlands and Italy. The talks are on initial purchase of two submarines and then for further manufacture under licence in India, very much like the Jaguar deal.

The Indian navy is being modernised, not only in respect of submarines, but also by renovating its only aircraft carrier, the Vikrant, and equipping it with Harriers, to be brought from Britain.

The vertical-take-off Harrier is the only kind of weapon for which the Defence Ministry does not want a licence to manufacture in India. About 20 are to be bought outright initially and the number will be increased later after their performance in Indian conditions has been assessed.

In addition to the Harriers and the two new submarines, the Defence Ministry hopes to give the navy additional striking power through surface ships and missile boats. The latter will have the latest technology available. India has a long coastline to protect, in addition to patrol duties in the Indian Ocean where the U.S. and the Soviet Union are building up their fleets despite protests by the littoral states.

The Indian army is awaiting an early decision by the Government on the choice of a modern tank, apart from improving the quality of its artillery and acquiring the latest anti-tank weapons and rocket system. The choice of the new tank is narrowing down to the Soviet T-72 and the British Sher-i-Iran, the modified version of the Chieftain now available for sale. The West German-designed Leopard II has been ruled out because of Bonn's reluctance to offer it to India and because of its high price.

The army has obtained two T-72 tanks from the Soviet Union for intensive tests of their performance in Indian conditions to assess their operational capabilities. The T-72 is an advanced tank equipped with the latest sighting devices and firing mechanisms and at the moment it is the first choice.

The British-built Chieftain modified for Iranian needs is not considered suitable for India. But since Iran has cancelled a number of its orders, the Defence Ministry is exploring the possibility of getting the British tanks at economical prices. Should the terms be right, the orders from the *Indian army might well go to* Britain.

The choice is to be made very soon so the British will have to do some quick selling if they want to win the Indian order which will be worth several hundred million pounds. Marshal Demitri Ustinov, the Soviet Defence Minister, is expected in Delhi for talks soon to take up the thread of discussions held during the recent visit of Mr. Alexei Kosygin, the Soviet Prime Minister.

So far as the Indian Air Force is concerned, the Jaguar will be the mainstay of its striking power. It already has MiG-21s built in three Soviet-aided factories in India and the latest model is now in use. However, the assessment is that the Jaguar will need a supplement and the Defence Ministry is exploring with the Soviet Union the possibility of acquiring later versions, possibly the MiG-23, since the Russians have withdrawn their offer of the MIG-25 which the Indians really want. If talks on the MiG-23 go smoothly, this aircraft will also be manufactured in India.

The modernisation programmes for the three services will take at least three years to carry out, but there is no hurry since India does not expect an immediate threat from across its borders. China is still showing signs of wanting to mend fences and the threat from Pakistan is no longer serious because internal upheaval rules out military adventures. The main purpose of the Defence Ministry's multi-pronged effort is to keep abreast of the latest advances in defence technology and to begin preparations immediately to face the expected strategic challenges of the 1980s.

The Government's dual policy of buying equipment and developing indigenous capacity to manufacture the entire range of modern armaments, from supersonic aircraft and advanced naval vessels to the latest in guns and tanks, has two aims. It hopes to give the country a high degree of self-reliance in the long run while meeting its present defence needs in the rapidly changing regional environment.

Economic upturn predicted for Rhodesia

BY TONY HAWKINS IN SALISBURY

RHODESIA'S MINISTRY of Finance yesterday predicted an upturn in the economy this year as a result of an improved security situation and the lifting or lessening of economic sanctions after the majority rule elections.

In its annual economic survey, the Treasury said that following a 3.6 per cent decline in real gross domestic product last year (6.8 per cent fall in 1977-78) it expected the economy to gather momentum in the latter half of 1979. There would still only be marginally negative real economic growth.

The survey reported a marked improvement in the balance of payments last year which swung from an overall deficit of 47m Rhodesian dollars (£33m) to a surplus, on current and capital accounts of $Rh31m (£22m). That was the result of a 13 per cent rise in exports which outran the 3 per cent increase in imports. Imports fell 9 per cent in volume but sharply higher import prices pushed values up and led to a 6 per cent deterioration in the terms of trade.

There was a small current account surplus of less £10m and also a net capital inflow (reflecting Government borrowing abroad) of $Rh17m (£12m).

The 3.6 per cent fall in real GDP made it the fourth year in which real output had declined and took the cumulative fall since 1974 to more than 13 per cent. Over the same period the country's population had increased by about 13 per cent so that living standards had declined by about 25 per cent and were now virtually back to their levels of the mid-1960s.

The survey reflected a better than expected outcome in 1978 since in mid-year the Government was forecasting a fall in exports and a 7 per cent decline in real GDP. However, the survey said, there was an upturn in trade and in commodity prices in the second half of 1978 which reduced the rate of negative growth. The economy continued to be dominated by economic sanctions and the security situation.

In its forecast for 1979 the Treasury assumed that progress would be made by Zimbabwe-Rhodesia's first Government in improving the security situation and in having sanctions either lifted or markedly lessened.

It predicted an improved balance-of-payments situation allowing for a gradual increase in import allocations though this would be eroded to some extent by higher costs of fuel imports and a fall in the volume and value of agricultural exports attributable to last season's drought.

There should be an improvement on capital account with a net inflow of both foreign investment and of development aid if sanctions were lifted.

Once there was evidence of an improvement in the security position, net emigration of whites should decrease and then reverse.

● Rhodesian aircraft struck into Zambia on Tuesday night for the second time in a day against Patriotic Front guerrillas. A communique from military headquarters in Salisbury said aircraft carried out several strikes against a base belonging to guerrillas commanded by Mr. Joshua Nkomo, near Mulungushi, north of the Zambian capital, Lusaka.

Australian truck dispute over

By James Forth in Sydney

AUSTRALIA'S nine-day truck-drivers' dispute ended yesterday when the drivers went back to work after obtaining promises of major concessions.

At the height of the dispute up to 400 trucks and transport rights were estimated to be involved in blockades of routes into major cities.

The states have now agreed to concessions on road taxes which the drivers claimed were too high and on freight haulage charges which they said were too low.

Power crisis halts W. Bengal industry

BY OUR NEW DELHI CORRESPONDENT

WEST BENGAL STATE MPs have given warning of a possible breakdown in law and order as a result of a power crisis which has brought all industrial production in the state to a standstill. They said the threat of layoffs would also aggravate the critical situation.

The state Government has ordered factories to close at least until Saturday to over the immediate crisis which has been caused by the shutdown of two major generating units owing, among other things, to poor maintenance. The industrial production loss is said to be more than R1bn (£60m) a day.

Of West Bengal's needs of 570 MW, power generation was short by more than 200 MW. Only essential services such as hospitals and water pumping stations are being supplied with power and even these are not functioning normally. Mr. Jyoti Basu, the Chief Minister, was unable to say when normal power supply would be resumed.

Mr. Kantalal Bhattacharya, the Industry Minister, said the decision to ask all industries to cease working was taken after a meeting with trade union leaders who have rejected employers' demand for a wage cut during the period of the closure.

The two out-of-action power stations are at Santaldih and Bandel. Mr. Basu denied rumours of sabotage saying the breakdown was accidental.

Foreigners buy 70% more U.S. companies

BY JOHN WYLES IN NEW YORK

THE PACE of merger and acquisition activity in the U.S. accelerated sharply in the first quarter compared with a year ago and featured a significant 70 per cent increase in the purchase of American businesses by foreign companies.

The possibility of restrictive merger legislation passing Congress joined relatively cheap equity values as a spur to mergers and acquisitions, according to the latest survey by W. T. Grimm, the Chicago-based merger specialist and intermediary.

The survey revealed that merger and acquisition announcements reached 580 in the first quarter, up 14 per cent from the 511 recorded in the same period last year. The size of the deals also increased significantly, with 24 costing more than $100m, compared with 13 a year ago.

Both the Department of Justice and the Senate judiciary committee have proposed a ceiling on the size of merger deals, which helps explain the rising trend in their size, says Grimm.

The dollar volume of the agreements for which the purchase prices are known totalled $10.9bn compared with $6.5bn a year ago.

While tender offers increased from 30 to 41, more were contested than last year, 22 per cent compared with 13 per cent.

Foreign concerns acquired 63 American companies, only 37 a year ago. In the first quarter, foreign purchases were concentrated in the wholesale and retail industries, finance, banks and insurance, electronics, drugs and cosmetics and medical equipment. Canadian, British and French companies were prominent among the buyers.

Peru generals give in over Press

BY NICHOLAS ASHESHOV IN LIMA

THE MILITARY Government has been forced to give in to a group of hunger-striking journalists and has in effect promised to reopen 10 magazines and political pamphlets closed three months ago on "national security" grounds.

The hunger strike was about to enter its second week when official statements were broadcast on the officially controlled radio and television to the effect that in the interests of "national unity" and the "transference of power" to civilian rule, steps would be taken to reopen the magazines. General Fernando Velit, the Minister of the Interior, said the ending of the strike was "extraordinarily positive."

The incident caused a major confrontation between President Francisco Morales Bermudez and hardliners within the military who have apparently been stalling on preparations to hold general elections later this year or early next year.

Herr Schmidt . . . influential

The dispute came to a head during the five-day official visit, which ended yesterday, of Chancellor Helmut Schmidt, of West Germany, whose influence was apparently decisive. Left-wing delegates to Peru's constituent assembly were about to declare themselves on indefinite hunger strike during Herr Schmidt's formal address — an embarrassment to the military who have been trying hard to put across a pro-human rights image.

The hunger strike reflects difficulties that both the military and the civilian political parties are having in returning to civilian rule after 10 years.

The recent illness of Sr. Victor Raul Haya de la Torre, 84, the Populist APRA Party leader, has made it obvious that no outstanding candidate or party exists to take over from the military.

Sr. Haya's illness, and the closure of the magazines had given the impression to the political parties that the military were preparing to hold on to power. The increasingly optimistic financial and economic forecasts being made for this year and next had encouraged this view.

Peace Corps chief under attack

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE HOUSE of Representatives has voted to remove the Peace Corps, the U.S. overseas volunteer service, from the control of a government department and place it under a new agency which has yet to be created.

The complicated piece of Congressional legerdemain, which could well be nullified in due course by the Senate, is most noteworthy because of the attention it has focused on the Peace Corps and the policies imposed on it by its overall boss, Mr. Sam Brown, director of Action, the umbrella agency handling both domestic and foreign volunteer programmes.

Mr. Brown, a leading anti-Vietnam war activist more than 10 years ago, has sought, in the opinion of his critics, to give the Peace Corps too ideological a twist by involving it more aggressively in the most sensitive parts of the world, especially Africa.

This prompted a major rift with the former head of the agency, Dr. Carolyn Payton, who resigned late last year largely because she felt that the Peace Corp's traditional low profile role was being sacrificed for political purposes.

The vote in the House may be seen as a direct criticism of Mr. Brown. What the House did was to shift control of the Peace Corps to the proposed new International Development Corporation.

The debate has taken place inside the context of the whole foreign aid Bill, for which the Administration has been lobbying hard. As expected, the House on Tuesday cut 5 per cent off the Administration's requested $4.17bn foreign aid package—a smaller cut than conservatives had been demanding and a reduction which left intact such politically important items as the funding of aid to Israel and Egypt.

But the activities in the House are only the preliminary skirmishes in a protracted battle over foreign aid which is likely to drag on for most of the legislative year. Mr. Brown and the Peace Corps will remain a pawn in this confrontation.

Time 'running out' for SALT pact

By David Buchan in Washington

THE CARTER Administration has about a month to complete a SALT nuclear arms agreement if it wants the U.S. Senate to vote on the treaty this year, according to Senator Howard Baker, the Republican leader.

The view that time is running out was also expressed by another key Senator, Mr. Frank Church, who chairs the Foreign relations committee.

Though Mr. Cyrus Vance, the Secretary of State, and Mr. Anatoly Dobrynin, the Soviet ambassador to the U.S., have met twice in the past week, President Carter said there still had to be "clarifications in the stance" of the negotiators.

One possible cause is that the U.S. is trying to reach a separate agreement with Moscow on the testing of anti-satellite weapons. The White House revealed this week that it has proposed to the Soviet Union a one-year ban on testing such weapons, which has relevance to a SALT treaty because satellites are the chief means by which the two superpowers can detect any cheating by the other on the treaty's provisions. The Soviet Union has a large lead in these weapons.

Mexican gas talks make good progress

BY WILLIAM CHISLETT IN MEXICO

MEXICO AND the U.S. are now making progress towards drafting an agreement on selling natural gas to the U.S.

Negotiations to sell 1.7bn cubic feet of gas a day, at $2.60 for 1,000 cubic feet, broke down at the end of 1977, when the U.S. Energy Department vetoed the price agreed between Pemex, Mexico's state-owned oil monopoly, and six U.S. gas distribution companies. The Mexican Government then declared that the gas would be used domestically and would be exported only if there was a surplus.

After 16 months of bitter recriminations, talks resumed at Government level last week with the aim of reaching agreement on guidelines by the summer, when Sr. Jose Lopez Portillo, Mexico's President, is going to the U.S. This would then permit Pemex and the U.S. gas distribution companies to re-open talks.

Pemex has insisted since 1977 that it could use all its natural gas domestically, and is going ahead with a national gas pipeline system. It has also maintained that only 300m cubic feet of gas a day is flared.

There are now signs that this position has been reversed. Sr. Jorge Diaz Serrano, Pemex's chief, said last week that Pemex would have a surplus of 800m cubic feet a day by the middle of the year "which would be available for export."

Sr. Diaz Serrano offered no explanation for such a large surplus being suddenly available. Privately, it has been known for a long time that the surplus was far higher than officially admitted.

Sr. Diaz Serrano's statement coincides with a report by the Mexican Petroleum Institute, which is closely linked to Pemex, that by 1982 the natural gas surplus will be 2.8bn cubic feet a day.

This is based on forecasts that Mexico will produce 2.2m barrels of oil a day by 1980, and will then keep to this ceiling until 1982.

A U.S. official said the two sides were still "far apart" on some issues. Pemex is believed still to be insisting that the gas price be calculated according to the price of number two light fuel landed in New York harbour, which would make the asking price about $3.15. The amount for export is not known.

However, there are reports that Mexico would be prepared to accept $2.80.

Tension in a diplomatic tightrope

BY DAVID TONGE

IT IS a rare event for a NATO member to jail one of its intelligence officials for giving secrets to the CIA. But when this happened on Tuesday in Turkey it was an indication of the continuing strains in U.S.-Turkish defence relations.

The official in question, Colonel Sabahattin Savasman, had been depty head of MIT, Turkey's central intelligence agency. Arrested in December, 1977, he had been accused of breaking a 1975 ban on co-operation with foreign security services, including those of the U.S., UK, Iran and Israel.

This week he received a 15-year sentence for supplying a CIA agent with information and an additional 30 months for giving secret information to the agent of another country against the interests of a third country. The firs charge is believed to have dealt with Turkey's plans over Cyprus.

The sentencing comes shortly after a diplomatic incident when the Turkish Foreign Ministry asked the Americans to withdraw a member of the embassy who had become a subject of controversy. The diplomat, Robert Peck, had visited an Anatolian town shortly before violence broke out there.

Such incidents reflect the increasing sensitivity of the Turks to the West in general and the U.S. in particular. The strains caused by the U.S. arms embargo imposed after the invasion of Cyprus in 1974 have still to be repaid.

Last October the Turks finally agreed to the re-opening of the U.S. bases on Turkish soil. However, the re-opening is only provisional and depends on the two countries agreeing on a new defence cooperation agreement.

This is now being discussed at a technical level, though reports in the Ankara weekly Diplomat talk of "no progress at all." One local newspaper has, however, talked of a measure of agreement being reached.

Mr. Robert Byrd, a U.S. Senator, has said that he does not think the U.S. Senate should ratify SALT-II before receiving assurances from Turkey that the U.S. can rely on the monitoring installations on Turkish soil.

The U.S. Administration is seeking to supplement its $300m annual military and economic aid package to Turkey for 1979-80 with $150m emergency aid, President Carter announced on Tuesday. He hoped Britain, France and West Germany would "more than match" this figure.

Insurers count cost of the 'safest risk'

By David Lascelles in New York

AMONG the thousands of Government officials, journalists, anti-nuclear protesters and sightseers who descended on Pennsylvania after the nuclear accident at Three Mile Island were representatives of the people who will one day have to foot the bill: the companies who insure nuclear power stations in the U.S.

The U.S.'s worst nuclear accident so far will probably result in the biggest pay-out since nuclear insurance became organised 22 years ago. The plant itself carries $140m in liability insurance and $300m in property insurance. When the emergency was called off, insurers had already paid out over $650,000 in relocation claims to some 8,000 pregnant women and children.

Public exposure to radiation was small, at worst only a few times a normal X-ray dose, but the accident has already revived debate about nuclear insurance. Nuclear power is an all-or-nothing risk: nuclear accidents seldom happen, but when they do, the effects can be large.

Nuclear power

This problem was recognised early in the U.S., but because the Government was then enthusiastic about nuclear power (when it was hailed as "too cheap to meter"), it decided to make sure that lack of liability insurance should not be an obstacle to its development.

In 1957 Congress passed the Price-Anderson Act which provided for a joint insurance pool comprised of the Government and the commercial insurers, organised into two groups, American Nuclear Insurers (ANI) and Mutual Atomic Energy Liability Underwriters (MAELU).

At the time, the maximum capacity commercial insurers could put together was $60m, but the Government pledged a further $500m, which seemed enough to cover the worst conceivable nuclear disaster, though it also limited all nuclear power stations' liability to that amount.

However, the Government did not pledge $500m for ever: it would only make up the difference between the total commercial insurance available and $560m.

The original Act was to last 10 years. By the time it came up for renewal the commercial insurance pool had risen by $10m to $70m, and the Government pledge had dropped appropriately. But there was still a need for Price-Anderson, so the Act was extended for a further 10 years, with a no-fault clause added to simplify compensation.

As the anti-nuclear storm gathered, Price-Anderson ran into heavy weather. The measure began to be criticised as a government subsidy of a danger to the environment. When it came up for renewal again in 1977, there was strong pressure for the Government to get out.

$5m levies

Congress devised an amendment to reduce its exposure without causing the collapse of nuclear insurance. A maximum $5m "retroactive premium" would be levied on all existing power stations in the case of an accident. All nuclear utilities had to show that they could call on enough funds to meet two $5m levies a year, though commercial insurers and the Government agreed to step in when there were defaults.

When the law was amended, there were 67 U.S. nuclear power stations, making a total possible levy of $335m per accident. Added to this was the commercial pool, which had swollen to $160m. The combined total of $495m meant that the Government had to commit itself to only $65m to bring the total up to the original $560m. Today, the Government's share is $60m.

The Act was attacked by opponents of nuclear power who claimed it was encouraging its development by providing easy insurance. Others said that $560m was no longer enough to cover a nuclear disaster.

Old doubts

The Three Mile Island accident has revived and strengthened the old doubts about Price-Anderson. What happens, for instance, if claims exceed $560m? Would the money go to the first claimant, causing a race to the courtroom door? Or would it be shared out?

Congress has promised to make "mercy payments" if the money runs out, but the strength of its commitment, and the speed with which it would act, have never been tested.

No one has yet died in a nuclear-related accident at a U.S. power station, and the number of minor accidents was small until Three Mile Island. In 22 years ANI had paid out less than $1m in claims, and the Government not a cent, a record which was said to speak strongly for nuclear safety.

However, Price-Anderson's days may be numbered. Seventeen Congressmen have now sponsored a Bill to end the $560m liability limit, either by increasing the levies or committing the Government to

UK trade to W. Germany weakens

BY GUY HAWTIN IN FRANKFURT

THE LATEST trade returns give grounds for anxiety over Britain's export performance in West Germany. Not only is the rate of UK sales growth slipping, but a significant slice of last year's increase came from exports of agricultural products and raw materials—not the least of which is North Sea oil—rather than manufactured goods.

Figures produced by the Federal German Statistical Office show that last year sales of food, agricultural products and raw materials accounted for 21 per cent of total UK exports to the Federal Republic.

Shipments of raw materials rose 46.2 per cent to DM 1.67bn, (£429m) while agricultural and food shipments went up 47.3 per cent to DM 856.4m.

Wholly manufactured goods—the key sector for a manufacturing nation such as Britain—accounted for some 66.2 per cent of last year's total British sales in West Germany. They grew by only 12.8 per cent from DM 7.08bn to DM 7.98bn.

Total exports were up 15.5 per cent from DM 10.45bn in 1977 to DM 12.06bn. However, excluding crude petroleum, the export expansion rate was only 11.8 per cent, which brought non-oil trade to DM 10.72bn.

The slowdown in the grewth of British exports has bee nsubstantial.

In 1977 total shipments to West Germany rose by 22.4 per cent, while non-petroleum sales rose by 14.6 per cent.

Although the 1978 trade performance would perhaps have been more than satisfactory in some markets, West Germany's exports to Britain have been expanding far more swiftly — unhampered, it seems, by an appreciating Deutschemark.

During the first nine months of the year, the official figures show that they rose 17.4 per cent to DM 12.2bn. As a result, the already substantial British trade deficit in West Germany's favour has widened further.

This is illustrated by British Department of Trade statistics for 1978, which show West German exports to Britain up 25.1 per cent, and British exports to West Germany up 22.9 per cent, with the result that the deficit in bilateral trade widened from 1978s £1.08bn to £1.41bn.

The effect of oil sales on the British trade performance can be judged from the fact that, at DM 1.35bn, they contributed the lion's share of the DM 1.67bn worth of British raw materials exports to West Germany.

Last year the oil shipments grew by 56.3 per cent, and British North Sea crude now accounts for 6.7 per cent of the Federal Republic's total oil imports.

Trade between West Germany and Britain is expanding far faster than between West Germany and almost every other European Community country. But even so, West Germany, whose exports are almost entirely wholly manufactured goods, appears to be winning the race.

GATT negotiators conclude Tokyo round

BY BRIJ KHINDARIA IN GENEVA

NEGOTIATIONS TO conclude the Tokyo Round trade talks are expected to be completed today.

The Tokyo Round package, which updates the Kennedy Round tariff negotiations completed in 1967 contains separate accords on: tariff reductions; the removal of non-tariff barriers; improvements to agricultural trade; changes in the legal framework governing the existing general agreement on Tariffs and Trade (GATT); together with other accords which are described as bilateral or plurilateral agreements because they do not have the backing of all the countries participating in the negotiations.

If the current talks in GATT's Trade Negotiations Committee (TNC) proceed smoothly, most of these agreements will come into force in January, 1980.

Under a key agreement associated with the main Tokyo Round package customs duties and similar charges on international sales of civilian aircraft and parts will be removed. The accord was drafted by the U.S., the EEC, Japan, Sweden and Canada, following a proposal made at the economic summit meeting in Bonn last July of leaders from the major Western powers and Japan.

An important element of the accord is a commitment by Governments not to interfere unduly with the freedom of airlines to buy from a particular supplier on purely technical and commercial considerations.

For those Governments that have already reduced or waived duties on imports of civil aircraft, the accord will "bind" the reductions so that duties cannot be reintroduced without prior consultation with affected partners.

Provisions of a separate code in the Tokyo round to reduce the use of export and domestic subsidies will also apply to trade in aircraft.

The code on subsidies and countervailing duties is the result of a long tussle between the U.S. and the EEC but also contains special provisions for developing countries.

The U.S. wanted to put limits on hidden export subsidies given by the EEC, particularly on food products under its common agricultural policy, which heavily subsidises certain farmers. The Community, in turn, was keen to obtain a relaxation of U.S. countervailing duty laws.

The code, while recognising the right of Government's to use subsidies, says that care should be taken not to harm the trade interests of other countries.

Governments commit themselves not to subsidise export of manufactured products and minerals, and to limit export subsidies on primary goods, such as agricultural, fishery and forest products. It tightens definitions of ways in which export subsidies on primary products can distort world trade, and contains a list of subsidies which should not be granted.

The code also commits signatories not to use domestic production subsidies which might harm other countries and gives examples of such subsidies.

Countervailing duties must be applied, in accordance with GATT's Article 6, which requires prior proof that the subsidised imports in question have, indeed, caused injury to the domestic industry which has lodged the complaint.

It makes a much more precise definition of material injury and of casualty than that found in the GATT anti-dumping code, concluded in the Kennedy Round. It sets detailed provisions for investigation procedures, including an obligation to consult with the exporting country before an investigation is opened. It also stipulates that countervailing duties may be replaced by voluntary undertakings concerning prices.

The agreement on customs valuation represents a major gain for the EEC, because it gets rid of the unique American selling price system under which U.S. customs authorities used the actual selling-price of a similar American-made product to assess the customs duties.

The new code makes the invoice value of the imported good the normal basis for Customs valuation and provides for other agreed methods where the invoice value is in doubt.

Under a separate code on Government procurement, signatory countries commit themselves to allowing certain specified Government purchasing entities to buy from foreign suppliers on an equal footing with domestic suppliers.

The agreement applies only to purchases of at least SDR 150,000 (U.S.$195,000) worth of products and services related to the supply of products. It lays down detailed rules on ways in which tenders should be invited and awarded. The aim is to make laws, regulations, and other procedures more transparent. This meets a U.S. complaint that, while its Government procurement rules are published, others often withhold such information.

Jordan power station projects

BY RAMI G. KHOURI IN AMMAN

THE JORDAN electricity authority is studying two major new power station projects to complete a 132,000 volt national grid running down the spine of the country, according to Mr. Ali Ensour, director of the Jordan Electricity Authority.

These are a 300 MW, oil-fuelled thermal power station at the southern port of Aqaba, estimated to cost some $300m, and a 400MW thermal power station at Qatrana, in central Jordan, which would be fuelled by locally available oil-impregnated shale rocks. A Soviet delegation has been in Amman this month negotiating with the electricty authority about building the $300m Qatrana plant, which would employ Soviet shale technology used widely for power plants in the Soviet Union.

The Aqaba and Qatrana plants would plug into the national grid that will be extended southwards from Amman later this year after contracts are awarded in August to extend the main line from Amman to Qatrana, about 100 km south.

A world bank loan of $15m, to be signed later this month, will help finance the provision of electricity from Qatrana to the main phosphate mines at Hassa, the Dead Sea potash project site, and the nearby provincial town of Kerak, two new proposed cement plants at Rashidiya, South-west of Qatrana, and 25 rural villages near the Southern end of the Dead Sea. This $53m electrification project is scheduled for completion by mid-1981, Mr. Ensour said.

The 132,000 volt national grid in northern Jordan is already in place and is connected with the Syrian power network. The new Qatrana line and the proposed Aqaba power plant will extend the grid down the entire length of the country, Mr. Ensour said.

Japan considers Pemex

TOKYO — A Japanese oil industry leader has urged the Government and industry to prepare for long-term oil import deals with Mexico.

Mr. Masami Ishida, the chairman of the Petroleum Association of Japan, told a news conference that the domestic groundwork should be done before the visit in June by Mr. Jorge Diaz Serrano, the president of Pemex, the Mexican State oil company.

While Mexican oil costs $17.10 (£8) a barrel about $3 a barrel more than Kuwait it was also of a high quality.

One problem was the fact that Mexico was unable to promise to ship 20 per cent of its oil exports to Japan, said Mr. Ishida.

Mexico has said it would produce 2.2m barrels a day by the end of 1980 and export 1m to 1.2m barrels a day.

AP-DJ

Textile curbs hamper Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

PROTECTIONIST RESTRICTIONS in the textile trade are still "one of the most important problems" for Poland, according to Mr. Jerzy Wojtkowski, general manager of Textilimpex, Poland's main clothes and textiles foreign trade organisation.

Even so the general feeling among Poland's textiles exporters is that last year's Multi Fibre Arrangement (MFA) agreements have at least provided a stable framework within which to work. The replacement of value quotas by quantity quotas has given companies such as Textilimpex greater freedom of manoeuvre. Mr. Wojtkowski said Textilimpex is now concentrating on higher quality goods and dispensing with cheaper products. But still, he says: "we could place more goods than the amounts that we are permitted."

Despite these problems worldwide exports by Textilimpex reached $896m last year, a growth of 20 per cent on 1977. Some 63 per cent of last year's exports were ready made clothes and knitwear. Hard currency exports reached around $420m representing an 8 per cent rise on 1977.

The company imported $725m worth of goods in 1978, mainly raw materials as well as some semi-finished products and finished goods worth $55m. According to Textilimpex 34 per cent of last year's imports came from the Comecon countries.

Poland's textile industry is wholly dependent on imports of cotton, jute, sisal and hemp. Over 100,000 tonnes of its cotton needs will be imported from the Soviet Union this year.

Reuter

Dai in colour TV deal

OSAKA — Dai Nippan Toryo and Mitsubishi Chemical Industries have agreed to set up a joint company in Japan for the manufacture of fluorescent substances for colour television picture tubes.

Under the agreement, the projected joint firm will take over Dai Nippin's fluorescent substance business and its factory near Tokyo to help reduce its accumulated deficit of Y9.5bn (£2m), Dai Nippon said.

Dai Nippon said the joint companp, to be capitalised at between Y500m and Y1bn, will be 85 per cent owned by Mitsubishi and 15 per cent by Dai Nippon Toryo.

Dai Nippon added it has been trying to overcome a prolonged business slump due to to a fall in paint demand following the 1973 oil crisis.

Reuter

Hunter Douglas turnover lifted

BY CHARLES BATCHELOR IN AMSTERDAM

HUNTER DOUGLAS, the Dutch-based aluminium products manufacturer, has reported a 27 per cent rise in 1978 net income to $18m, on sales which were 41 per cent higher, at $574m. Net income per share rose to $2.30 from $1.82. An unchanged dividend of $1.20 has been proposed, but shareholders are offered the option of taking a one-for-18 rights issue instead.

The company, which is 25 per cent owned by Alcan Aluminium, traditionally reports its results in U.S. dollars. Just over half the sales rise represented new operations and consolidations. Hunter Douglas secondary non-ferrous metals processing and trading operation accounted for much of the sales increase.

Stagnating conditions in the European building industry continued to affect the group's architectural and building products business—in particular, the German-based Favorit garage and house door operation. Sales of blinds and window coverings in the U.S. rose strongly, though, and the group Metals, the group's newp —— increased its market share.

Hunter Douglas made 52 per cent of sales in Europe and 22 per cent in North America last year. Consumer, building and architectural products accounted for 73 per cent of turnover, precision machinery for 16 per cent and the new metal trading group for 11 per cent.

It expects to invest $25m this year. The Board expects the company to perform well again in 1979 despite the uncertain economic outlook.

Strauss to lead U.S. mission to Mideast

By David Buchan in Washington

MR. ROBERT STRAUSS, the U.S. Special Trade Negotiator, will lead a U.S. trade mission to Israel and Egypt next week. The delegation, which will include Congressmen, aims to try to increase U.S. trade with both countries following their peace treaty, but will not be involved in discussions between Jerusalem and Cairo on future Israeli-Egyptian economic links.

Mr. Strauss said his mission will concentrate on agriculture and textiles as potential areas of export expansion by both countries to the U.S. The Egyptian textile industry in particular is felt to be capable of considerable export expansion to the U.S. if it can set up certain new product lines.

The Strauss mission is not expected to come away with any far reaching new trade agreements with either country, but more to examine the scope of trade problems. The composition of the U.S. delegation, which is somewhat unusual, includes figures from key unions and employers from the U.S. textile industry, and also officials from the Departments of State, Treasury and Commerce.

Krupp cement kiln for Egypt

By Adrian Dicks in Bonn

POLYSIUS, THE Krupp subsidiary specialising in cement-manufacturing plant, has announced conclusion of a contract with Helwan Portland Cement of Cairo for construction of a large-scale cement kiln at Assiut, some 300 kilometres south of the Egyptian capital.

Construction of the unit is being undertaken by a consortium of European companies under the leadership of Polysius. Other members include Polysius' Belgian subsidiary, Ateliers Louis Carton, Brown Boveri of Switzerland, and Haver and Boecker of West Germany.

According to Krupp, the installations, with imported parts worth DM 120m (£31.6m), will constitute the largest cement kiln unit in Africa when they are completed in 1982. Capacity will be 1.5m tonnes of cement clinker a year.

UK trade mission

The Committee for Middle East Trade (COMET) has arranged a mission from the UK to Egypt from April 18-26. The mission, led by Lord Selsdon, Midland Bank and chairman of COMET, is in recognition of Egypt as a major market for British goods, services and investment, including joint ventures. UK exports to Egypt were £206m in 1978.

Wiggins Teape warns of possible closure of Scottish pulp mill

BY MAX WILKINSON

WIGGINS TEAPE, the paper company, warned yesterday that it may have to close its pulp mill at Fort William in the Scottish Highlands.

The sulphite pulp plant, which employs 450 people, is part of an integrated pulp and paper complex which was opened in 1966, at a cost of £15m. It employs 900 people.

The company says the pulp plant is now out-dated, uneconomic and may have to close in a year's time.

However, the paper mill will continue in operation using imported chemical pulp.

Wiggins Teape wants to use the year respite to study the possibility of replacing the pulp mill with an integrated newsprint pulp and paper mill at the site. But it says it would need a partner for such a venture since the company is not at present in the newsprint market.

Discussions with the Industry Department have been taking place about the need for closure and the possibilities of building a new mill. To be economically viable, a newsprint manufacturing plant would have to be very large with an annual output of 100,000 to 150,000 tonnes and cost perhaps £100m.

The pulp mill produces 63,000 tonnes a year using mainly Scottish timber. Last year it lost £2.7m.

A statement from Wiggins Teape, subsidiary of British American Tobacco, said that investigations by the consultant, Jaakko Pöyry had shown that the pulp mill could not be profitable, even if it were modernised at a cost of £10m.

However, Pöyry did suggest that Scottish wood could be profitably converted into newsprint or other mechanical papers.

Mr. Maurice Bennett, chairman of Wiggins Teape, said yesterday: "The mill will have to be discontinued in about a year's time unless a viable alternative can be found which would justify continuing the existing operations for an interim period.

"Fortunately the experts have found in newsprint an alternative which looks promising, even though it is not our business."

Mr. Duncan McPherson, Highlands area chairman of the Scottish Council (Development and Industry), expressed extreme concern at the implication of the announcement.

Tories plan for private shipbuilding

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

AS MUCH as possible of the shipbuilding industry would be returned to the private sector under a Conservative Government, said Mr. David Hunt, chairman of the party's shipping committee, yesterday.

Mr. Hunt, making the party's first official statement on shipbuilding policy, said the Labour Government's dithering over nationalisation, and more recently over British Shipbuilders' corporate plan, had left the industry in a state of anxious uncertainty.

The Government's announcement last week that it would deal with the necessary rationalisation in the industry on a "step by step" basis represented a policy of stumbling from crisis to crisis.

Mr. Hunt said the Tories were committed to maintaining a merchant shipbuilding industry, but he could not say at what size or at what price until a new Government had examined the nation's books.

Conservative thinking, however, was clear on six points.

- Yards would be given maximum independence "with the long-term objective of returning as much as possible of the industry to private enterprise."
- UK would give a lead in limiting the "shipbuilding credit race" through international agreement. The EEC's "scrap-and-build" plan would receive close attention.
- A Tory Government would make a firm decision on slimming down and modernising the industry. The present dribble of redundancies was increasing the threat to jobs. There would be an effective regional policy to mitigate the social consequences of this approach.
- Defence spending would be substantially increased to modernise the Royal Navy fleet, two-thirds of which would be over 20 years old in five years' time.
- Non-naval public-sector orders would be encouraged.
- Special terms for UK owners building in UK yards would be considered.

Jobs saved

Mr. Hunt was addressing a conference in London organised by Tyne and Wear County Council.

Earlier Mr. Gerald Kaufman, the Industry Minister, said that a new wave of uncertainty about the ownership of the industry would be extremely dangerous. The Government's policies had saved 19,000 jobs in merchant shipbuilding.

Sig. Daniele Verdiani, chairman of the shipbuilding directorate of the European Commission, said it was not enough for member-States to reduce the labour force in their shipyards. They must close yards if the industry was to emerge from the crisis in competitive shape.

Failure to agree on specific targets for cuts within the Community had severely hampered EEC efforts for wider international co-operation in solving the problems of the recession.

The Commission was pursuing two ideas, scrap-and-build and tougher action against substandard ships, which would help the industry. A decision on feasibility of scrap-and-build should be made early in May.

Mr. Jim Venus, chairman of A. & P. Appledore, the shipbuilding consultant, an adviser to British Shipbuilders, said the UK shipbuilding industry should pursue links with developing "country" shipyards rather than worrying them as competitors.

British decisions about shipbuilding had been based on political dogma, and there had been a failure to act according to a clear commercial strategy.

It was essential that the Government bring together all its marine interests in a single Ministry and decide as soon as possible "the yards that are to be kept open and those that are to close"

Mr. John Chalmers, general secretary of the Boilermakers' Amalgamation and a British Shipbuilders board member, called for more aid for the industry.

There should be a 150,000-dwt size limit on oil tankers and other technical requirements in the interests of safety, on top of a scrap-and-build scheme and a heavier programme of warship building.

BNOC to explore Malaysian oil field

BY KEVIN DONE, ENERGY CORRESPONDENT

THE British National Oil Corporation is to make its first oil exploration outside the UK.

It has reached a preliminary agreement with Petronas, the Malaysian State oil company, to supervise an 18-month exploration and appraisal drilling programme off the west coast of Malaysia.

The BNOC contract is an area abandoned last year by a consortium of oil companies led by Conoco of the U.S.

The deal is subject to a detailed agreement and approval from the Secretary of State for Energy.

Normally, this approval would be little more than a formality—BNOC has kept the department closely informed of progress on the deal—but this could change under a Conservative government.

Influence

The Conservative Party is already committed to carrying out a thorough review of the state oil company's activities with a view to reducing its influence in UK oil exploration and production operations. It is also pledged to halt its expansion into other areas, such as refining or petrochemicals.

It remains to be seen whether it will wish to stop BNOC entering overseas ventures, although other state energy corporations, such as British Gas and the National Coal Board, have been encouraged by past governments to develop overseas consultancy work.

BNOC's first foreign venture involves a contract for technical and manpower services to supervise the offshore drilling programme on an area of more than 19,000 km.

Preparatory work is likely to start this summer with a 12-month drilling programme after the end of the year. A total of seven wells are planned.

The corporation will provide a basic team of six specialists to be based with Petrogas Carigali, the Malaysian state oil company's exploration and production subsidiary, in Kuala Lumpur. Back-up services will be provided in the UK.

For the moment the deal involves only a service contract on commercial terms, and any further collaboration would be the subject of additional negotiations between Petronas and the Corporation.

Two fields, one oil and one gas, have already been discovered in the Sotong area that the Corporation will explore.

Conoco relinquished the area, however, because it could not secure a sufficiently attractive production-sharing agreement from Petronas. Conoco claimed that the field had only 20m barrels of recoverable oil, while Petronas believes the amount is in the region of 50m barrels.

The immediate attraction for the Corporation of the Malaysian service contract is that it offers its own personnel a chance to gain experience in the oil industry overseas, which could ease recruitment of new staff.

£40,000 aid for small firms' research

By John Elliott, Industrial Editor

THE GOVERNMENT is to donate £40,000 to the London Enterprise Agency which has been set up by nine big financial and industrial companies to help small firms.

The money is to fund research into the problems of developing smal firms and inner cities.

The agency, which was launched yeserday, is discussing an interest rate subsidy scheme for small firms' loans.

The agency is based on the London Chamber of Commerce. The nine founding companies, each of which have subscribed £20,000 for its first year budget, are Shell UK, IBM, British Petroleum, BOC International, Marks and Spencer, GEC, the Industrial and Commercial Finance Corporation, and the Midland and Barclays Banks.

Studies are to be made of products in short supply in London so that small firms can be set up to fill the gaps. School furniture and uniforms are two areas which concern the agency. A small firms' industrial estate with central administrative facilities is to be developed in Wandsworth over the next two years on land provided by Shell.

Solicitor resigns Ulster post

THE ARGUMENTS about alleged police brutality in Ulster were revived yesterday when Mr. Donall Murphy, a Belfast solicitor, resigned from the Northern Ireland Police Authority.

Mr. Murphy, a nominee of the Incorporated Law Society of Northern Ireland, said in his letter of resignation to Mr. Mason, the Ulster Secretary, that his persistent warnings about the claims of ill-treatment had been ignored.

Mr. Murphy has previously voiced his misgivings and last year he withdrew from the authority for a period. Mr. Mason is thought to be considering Mr. Murphy's letter.

Workers in the dark

NEARLY nine out of ten workers did not know about the State's new earnings-related pension arrangements, a survey revealed. It was carried out for Lloyds Bank which is preparing a booklet on the financial problems of retirement.

Steel output up

BRITISH STEEL Corporation production nicreased by 3.3 per cent in March on the previous month to a weekly average of 438,600 tonnes.

Grant increase

A 67 PER CENT increase in the minimum rate of grant payable to degree students from Britain's richest families, was announced by the Government yesterday. Minimum-rate students will receive £335 from the autumn instead of £200.

Commission lifts Shell price ceiling

By Kevin Done, Energy Correspondent

THE PRICE Commission yesterday reversed the decision it made last week to limit price increases notified by Shell UK Oil for the full range of its oil products. Shell could now apply its intended price rises in full, the commission said.

Last week the commission took the oil industry by surprise and halved Shell's original price notification, while allowing increases by the other major oil companies.

Shell is one of the joint market leaders in the UK, and the Price Commission move threatened to establish an awkward two-tier pricing system in the oil market at a time when extra oil supplies are not available to any of the companies to meet sudden increases in demand.

Shell UK Oil itself has been working under a reduction of about 7.5 per cent in its crude oil supplies because of the loss of deliveries from Iran.

Flour price rise sought

By Our Consumer Affairs Correspondent

RHM FOODS is seeking to raise the prices of its 1.5 kg bags of flour by 3p in an effort to restore profitability of flour used for home baking.

The company says it intends to notify the Price Commission shortly of the rise.

"The time has come for the housewife to pay a realistic price for what is, after all, an extremely good value and highly nutrious basic food commodity," Mr. Mike Coulthard, marketing controller, said.

Easter danger on the Thames

FLOOD FLOWS on the Thames, above Teddington, are still above average for this time of year. Many sluices are still open, river velocities are generally high and likely to continue so over Easter.

A Thames Water spokesman said yesterday that with the amount of water flowing down the Thames, particularly downstream of Windsor, careless river users could get into difficulties.

Rees promises cab fare action

MR. MERLYN REES, the Home Secretary, has promised an urgent re-examination of the London cab drivers' case for a 25 per cent tariff increase after receiving a deputation from the London Joint Cab Trade Committee led by Mr. Ron Todd, the Transport and General Workers' Union national organiser.

"He promised to treat the issue as one of urgency and committed his department to an early response," a union statement said after the meeting. Members of the deputation were Mr. G. Trotter, chairman of the trade committee and the London Motorcab Proprietors' Association: Mr. Pat Hicks, TGWU, cab officer; and Mr. Peter Fuzzy, chairman of the TGWU Cab Trade Committee.

Russia signs for £50m chemicals factory

BY SUE CAMERON, CHEMICALS CORRESPONDENT

DAVY INTERNATIONAL (Oil and Chemicals), part of the UK-based Davy engineering and contracting group, yesterday signed a £50m contract with the USSR Techmashimport to build a chemicals plant at Nishnekamsk in the Tartar Republic.

The contract, won against strong competition from the Japanese Mitsubishi group, is for the engineering and supply of an alpha-olefins plant. Alpha-olefins are used in severel products, but the Nishnekamsk plant will concentrate on those for making detergents.

Detergents

The plant, the first of its type to be built on such a large scale in Russia, will be able to produce 75,000 tonnes of alpha olefins a year in the C8 to C10 range—those for detergents. But it will also produce olefins for the plastics industry and for making additives for lubricating oils. The process to be used is that of the U.S.-based Ethyl Corporation.

The contract will be financed by a buyer credit, arranged by Morgan Grenfell with Export Credit Guarantee Department cover under the 1974 Anglo-Soviet credit agreement.

At the signing ceremony yesterday Mr. John Smith, the Trade Secretary, said the £50m contract was an answer to criticism of the £950m trade credit agreement with Russia. He said he hoped that Russia would place a £120m contract for steel offshore platforms with the UK based International Offshore Consortium which could be concluded in May. The consortium includes Brown and Root, Wimpey and British Petroleum.

Russia has taken up £550m of the £950m trade credit so far. Davy companies have received £250m worth of contracts under the agreement, which runs out next year.

Equipment

Basic engineering for the alpha-olefins plant at Nishnekamsk will be carried out by Davy International of Cologne, the corporation's West German subsidiary. All equipment for the plant will be procured within the U.K. by Davy International (Oil and Chemicals), which will also supervise construction on the site.

Davy said yesterday that it hoped between £30m and £40m of equipment would be procured in the UK for the new plant.

Electronics jobs aim in Scotland

By John Lloyd

SCOTLAND should aim to attract 3,000 more jobs in the electronics industry over the next three years and greatly improve its promotional effort directed towards electronics companies at home and overseas.

The conclusions, contained in a report prepared for the Scottish Development Agency by the U.S. consultants Booz Allen and Hamilton and made public yesterday, come in the week after the agency's lost struggle with the Irish Industrial Development Authority to attract a manufacturing subsidiary of the U.S. microelectronics company, Mostek, which would have provided about 1,100 jobs.

Mostek decided on Ireland partly because of irritation over a veto on its development plans. The report says that the multiplicity of UK agencies with which companies have to deal is a major cause of complaint.

One of its more sombre revelations is that, without action, employment in the industry would drop from 34,300 to 31,200 by 1981.

The report says that 3,000 should be provided by multinational (U.S.) companies, 2,000 by English and European companies, and 1,300 by "Scottish-based initiatives."

Seven Pillars signed first edition fetches £2,500

SALEROOM

BY ANTONY THORNCROFT

TOP PRICE at a Christie's silver sale yesterday was £3,400, plus the 10.8 per cent buyer's premium, paid by Koopman for a pair of George I candlesticks, 6¾ in high, made in 1720 by Matthew Cooper. The same dealer paid £3,200 for a Victorian table centrepiece by Barnard and Co., 1840.

A pair of George III plain two-handled sauce tureens and covers by Paul Storr, 1798, sold for £3,000, as did a set of four George III plain shaped circular dessert dishes by Thomas Hemming, 1770. Four lots sent to the auction by the executors of the late Sir Terence Rattigan made a total of £2,240.

Top price in a printed books sale was £2,500 for a copy of Seven Pillars of Wisdom, one of the first limited edition, printed privately in 1926 and signed by T. E. Lawrence.

At Sotheby's pictures brought in £45,794, with sporting paintings at the lower price levels particularly sought after. Top price was £1,300 for "Waiting for Master," signed E. Brown. At Belgravia a rosewood-and-button upholstered conversation seat of the 1880s sold for £2,400.

The Paisley Museum paid £60.50 for a Paisley shawl of about 1910 and £27.50 for a marriage shawl of about 1920.

Furniture at Christie's South Kensington brought in £56,689. A Dutch walnut bureau cabinet made £2,000 and a set of six elm and ash Windsor armchairs £1,800. In the pictures "The Chinese Fan" by Otto Hessler, sold for £1,600.

Second earth satellite station for Britain

BY JOHN LLOYD

RAPID GROWTH in international telephone calls, which are doubling in number every three to four years, lies behind the opening of a second British earth satellite tracking station at Madley, near Hereford.

The station, which was commissioned officially yesterday by Mr. Peter Benton, managing director of Post Office telecommunications, will complement one at Goonhilly, Cornwall. It has cost about £10m so far with one aerial operational and is expected to cost some £60m when fully operational with six.

The station has been in service since last November and already handles about 1m telephone calls and 10 0television broadcasts a month. It works to Intelsat 4A, the satellite above the Indian Ocean which is part of an international system. Eight satellites form the Intelsat network linking more than 100 member countries.

Mr. Benton disclosed yesterday that the Post Office has reached the final stages of talks with the U.S. Federal Communications Commission on laying a new transatlantic cable. TAT 7, which should come into commission in 1983 at a cost of £100m.

He said the corporation was also investigating telecommunications projects in the South Atlantic and the Pacific.

The prime contractor at Madley was Marconi Communications, a GEC-Marconi company. The aerial, with its 105 ft diameter dish — the largest in service — was supplied by the Japanese company, Mitsubishi.

Marconi provided the radio and communications equipment while IDC designed and built the station.

The Goonhilly 1 aerial, which previously handled Indian Ocean traffic, now provides extra capacity for the UK-U.S. route, the world's busiest.

Labour peer joins Westward TV board

By Arthur Sandles

LORD HARRIS of Greenwich, former Labour Government Minister responsible for Broadcasting, is to join the board of Westward Television. Lord Harris left the Government three months ago to pursue private business interests.

His appointment comes at a time when, whichever party wins the election, television companies will be preparing cases for continuing their franchises, and perhaps campaigning for larger territories or greater network power.

Mr. Peter Cadbury, executive *chairman of* Westward Television, said yesterday the

Lord Harris of Greenwich

appointment gave Westward the help of a man who had been involved in all aspects of television. "The experience gained in dealing with industry problems during those years (five years as Minister of State responsible for Broadcasting) will be of immense value to Westward and, I hope, to TV generally," he said.

According to Mr. Cadbury, Westward has plans for a major extension in the scope and quality of its production. He also hoped to start operating a new generation of Sony outside broadcasting equipment "in a few months time." New technology is a sensitive issue with television labour at present.

Lord Harris, 49, is currently part-time chairman of the Parole Board. His work in the *Home Office* included responsibility for police, prisons, probation and after-care as well as broadcasting.

Fears on car plants' future

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MR. RAY HORROCKS, chairman and managing director of Austin Morris, has given a warning of massive de-industrialisation if the British motor industry is allowed to decline to little more than a highly specialised operation.

Addressing the Westminster branch of the British Institute of Management, he made it clear that the *main burden of* preserving volume car production in Britain rested on Austin Morris, BL's subsidiary.

He suggested that the new management had made a realistic approach and now had the basis of a viable operation. Some £300m would be provided if the investment could be justified.

Austin Morris sold more than 50,000 more vehicles in 1978 than in the previous year and made a small trading profit, "something unthinkable at the end of 1977."

But the situation was still delicately balanced. "If we are to earn the money to implement pay parity, incentives and differentials, we must maintain the impetus, not allow it to diminish," he said.

"The challenge BL faces is that of a truly domestic industry, one which must be met largely from within.

"Offshoots of international operations, such as Ford, Chrysler and Vauxhall, have built-in safeguards. That is particularly so in relation to product development.

"If those three had been compelled to rely on internally-*generated profits for their* investment in manufacturing facilities and product design they would have had a great deal more catching up to do. Their performance is not a true guide to the state of the British motor industry.

"We must make this differentiation because the long-term economic salvation of this country depends on internally-generated profits and genuinely British commodities. It is the cars conceived, manufactured and assembled in this country that earn the money, not imports. And BL is this country's only major vehicle exporter."

Mr. Horrocks said that manager who, like himself, joined BL in 1978, had to take a "totally realistic approach to the future role of the motor industry." A decision must be made about short-term activity because it was only on the basis of immediate retrenchment that long-term future could be contemplated.

"It was therefore essential to tackle overmanning, excessive disputes, poor manufacturing facilities, and lack of incentive in a fundamental way if a way out was to be found."

Mr. Horrocks maintained that the inroads the BL management been greater than expected. During 1978 the BL workforce was cut by 15,000. As a result "we have at last been able to tailor our productive workforce to our assessment of our market prospects and at the same time streamline our efficiency."

Important improvements were also made to manufacturing facilities last year, including the £38m investment in the "O" *series engine.*

"As a result we have the basis of a viable operation," Mr. Horrocks said. "It is no exaggeration to say that in specific factories our levels of output and quality are now directly comparable with our European competitors. But these improvements have not been uniform.

"They are enough to show that within our manufacturing resources we can compete, by careful husbandry and the right sort of commitment. We can produce to levels of output which allow our salesmen to adopt a positive attitude in the market, with the confidence of products available in the right numbers at the right quality."

Discussing the talks between BL and Honda, Mr. Horrocks insisted that "any collaboration BL enters into will be totally practical and to the long-term enhancement of its own reputation." He said BL had been looking at areas of collaboration which would not dilute its most important asset—its national identity.

"The benefits of rational collaboration can be enormous," he said. "In the face of the *mountainous* sums the American industry is investing in research and design every smaller manufacturer must think in terms of pooled resources. There is absolutely no point in pursuing distinct lines of development and producing an identical end result which may still be two or three years behind."

Secretary of BMA to retire this year

By Maurice Samuelson

THE SECRETARYSHIP of the British Medical Association will become vacant at the end of the year with the retirement of Dr. Elston Grey-Turner, who has held the post for three and a-half years.

Dr. Grey-Turner, 63, is not due to retire for two years, but he will leave early because of health problems and to make way for a younger man.

The post will be advertised at the end of the month and the *association is expected to settle* the selection procedure on May 30.

Dr. Grey-Turner has spent 32 years with the association and before becoming secretary he was principal deputy secretary for many years.

As a skilled negotiator, one of his major tasks was to give evidence to the Royal Commission on the National Health Service, which is due to report soon.

He was also concerned about the effect of strikes on patients and has been trying to find a way of settling disputes in essential services without endangering the community.

Lights recalled

FIFTY THOUSAND Quickstrip fluorescent light fittings are being recalled by the manufacturer Light Ideas because of a *design fault. The 2 foot double* tube fitting, model numbers QS2D and QS2DD, were sold after April last year.

House prices rising 'despite loan limits'

BY ANDREW TAYLOR

GOVERNMENT restrictions on mortgage lending by building societies have not stemmed the sharp rise in house prices, according to Mr. Donald Moody, *president of the House-Builders* Federation.

Mr. Moody said yesterday the restrictions had lengthened mortgage queues and undermined the confidence of house-builders—sustaining the long-term inflationary pressure on house prices.

He said house prices were not determined by mortgage availability but by the level of disposable incomes and the country's economic outlook.

Mr. Moody's views are reflected in recent building society figures which show that house prices continued to rise by between 5 and 5.6 per cent in the first three months of this year. Abbey National said last week that estimates of a 20 per cent rise in house prices in 1979 could not now be considered excessive.

Mr. Moody said there would have to be a marked increase in private-sector building if the strongest-ever demand in the UK for home ownership was to be met.

He said the current level of building activity fell well short of the Government's annual target of between 170,000 and 190,000 homes to be built for owner-occupation by 1981. Estimates indicated that work on only 140,000 units would be started in 1979.

Delays in preparing local authority structure plans and the restrictive nature of some *of these plans has led to a* shortage of available land for house building.

He said the structure plan for the South East had proposed that an average of 46,000 new houses would be built annually up to 1991. This compared with the 66,000 new houses built in the region in 1977 and an annual average of 61,000 over the past decade.

He said: "Clearly the structure plan assumptions will create a serious shortfall in new houses in the next decade, unless radically amended." He added that at least 60,000 or more new houses a year would be required in the region.

Mr. Moody also suggested that local authorities should have to pay costs where they had unnecessarily delayed developments.

The next Government, he said, should encourage local authorities to provide an adequate supply of land for house building and also to speed up the process of granting planning permissions.

Mr. Moody said the Federation, a non-political organisation, also supported the repeal of the Community Land Act and a reduction in the level of Development Land Tax.

"It should be our aim, and that of government, to increase the present level of owner-occupation from 55 to 65 per cent in the next five years. The industry is clearly capable of sustaining and increasing its output to meet the strong demand for new housing provided that government now removes the key restraints on supply."

Meanwhile, a survey carried out on behalf of the Alliance Building Society shows the *majority of newly married* couples face up to a three year wait before they can afford to buy their first home.

Design Council chief attacks 'damaging' price control

BY CHRISTOPHER LORENZ, MANAGEMENT EDITOR

PRICE CONTROL can result only in consumption at the expense of investment, and in inadequate cash flow for the creation of new products, Lord Caldecote, chairman of the Design Council and of *Delta* Metal, said last night in a lecture at the Royal Society of Arts.

Attacking price control for its "absurdity and damaging effects" — except in the "few cases" where there is no effective competition — Lord Caldecote said industry could not rely on borrowed funds for investment in the vital process of designing and developing new products.

Such investment was riskier than expenditure on plant and new buildings, which had a residual value even if they could not be used for their intended purpose. But the resources invested in an unsuccessful development programme were virtually useless.

This was why design and development was not suitable for loan funding "without serious risk to the financial stability of the company." So shareholders' funds must be the *source of such risk investment.*

This, in turn, implied the necessity to earn high profits on products currently being made. But the real rates of return on capital employed in British companies had been steadily declining over the past 20 years. In large sections of industry they were now "quite *inadequate*" *to provide* a reasonable return to investors and leave enough for adequate reinvestment in design and development.

But the resulting pressures to cut back, or postpone, such expenditure, could rapidly lead to disaster for companies, Lord Caldecote warned. In a competitive market, every product had a limited life cycle, and it was essential to foresee its obsolescence and decreasing sales in time to market a fully competitive replacement.

If a company did not take action in time, Lord Caldecote said, a point of no return could be reached, especially with complex products, beyond which insufficient cash flow was available to produce the necessary investment for the next generation of new or improved products.

Call to raise exports of heating equipment

BY JAMES McDONALD

THE HEATING, ventilating, air conditioning and refrigeration equipment industry, which depends largely on activity in construction, has been advised to look for extra growth to exports and import substitution by the sector's working party. In its industrial strategy progress report for the National Economic Development Council it says:

"There has been an improvement of 12 per cent in direct exports which, in 1977, accounted for over a quarter of production. In the air-conditioning export market any ground lost by Britain and the U.S. appears to be picked up by Japan and Germany.

"Italy is the fastest-growing supplier of non-domestic refrigerated equipment, followed by German and France

Source: National Economic Development Council, Millbank Tower, SW1.

Shelter accuses councils of 'vandalism'

By Maurice Samuelson

LOCAL COUNCILS who demolish compulsorily purchased houses years before redevelopment of an area can begin are guilty of "official vandalism," says Shelter, the national campaign for the homeless.

In a report published today, Shelter says "prior demolition" ignores the objections of local people and pre-empts Government inquiries on whether demolition is permissible. Councils which have carried out "prior demolition" are said to include Portsmouth, Derby, Cambridge, Hull, Salford and the London borough of Southwark.

Mr. Neil McIntosh, Shelter's director, said it was a "travesty" of democracy to ignore Government guidelines which say that local authorities should not abandon or board up properties prematurely.

Shelter wants the next Government to amend the 1957 Housing Act to prevent demolition or gutting of houses until a compulsory purchase order has been confirmed.

Buy Up, Brick Up and Demolish, A Shelter Report on Prior Demolition; Shelter Publications, 157, Waterloo Road, London, SE1; 35p and 15p postage.

British Rail faces investment strains in 'success year'

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

SIR PETER PARKER, chairman of British Rail, presenting its 1978 annual report yesterday, described it as a year of "success and strain" and stressed the need for better productivity and a 30 per cent increase in annual investment in the railways.

The successes were the elimination of the freight deficit, an 8 per cent increase in passenger miles inside two years, and better returns from shipping and property, he said.

The strains were failure to negotiate improved productivity

Mr. Peter Parker: Mixed views

and reduced manpower and the frozen level of government support which was producing "cracks in the quality of service" and would affect British Rail's cash limits.

Investment would have to be raised by 30 per cent a year in the 1980s to replace worn-out assets. Some 98 pr cent of BR's diesel units and 66 per cent of its electric units were more than 15 years old.

Sir Peter said the number of railwaymen last year had changed little after a 12,000 reduction between 1976 and 1977. "We have identified sizeable opportunities for improvement; but the blunt truth is that we have not been able to negotiate these into reality."

He also lamented lack of progress to concerted action by operators and government over declining railway services in London and the South-East. BR had tried to counter these "depressing trends" with a "commuters' charter" outlining goals for the future.

Sir Peter made clear his continuing commitment to reducing losses on minor provincial services, which fell £36m short last year of meeting even their direct costs, without contributing to system overheads. One option was to substitute buses for trains.

He said the customer's expectation of high quality, stimulated by the Inter-City 125 services of the High Speed Train, "in many ways outstripped our financial capability to satisfy it." Ticketing systems, information, baggage handling and connections with other forms of transport were areas "wide open for development."

On fares, Sir Peter said the disarray of incomes policy "cast doubt on our ability to hold the line through 1979." Fares rose 9 per cent in January.

Nevertheless, there was a "new mood of confidence among railwaymen" and a strong case for major investment in more electrification of the rail network and for a Channel tunnel link. The BR-French Railways rail-only proposal for a tunnel, he said, "need not exclude the development of other links." Details of the report are as follows:

FINANCE: Turnover rose from £1.67bn in 1977 to £1.97bn last year, producing an operating surplus of £56.7m, against £62.8m. This was after crediting central and local government support for the passenger railway of £436.5m last year and £363.7m in 1977. After interest and other charges, this produced a net surplus of £6.5m, against £29.7m the year before. On a current cost-accounting basis, following the Hyde guidelines, the surplus becomes a £121m loss.

This meant that British Rail was able to operate comfortably within its passenger railway grant ceiling of £490m.

PASSENGERS: Journeys were up by 3 per cent and revenue was up 18 per cent to £702m. Fares increases for the year averaged 14.5 per cent.

There were successful promotions of reduced-fare tickets for groups such as pensioners and students. More than a third of passenger revenue now comes from reduced-fare and special promotion tickets.

Inter-City services increased passenger volume by 6 per cent to a record level, assisted by the spread of the 125 mph High Speed Train. Efforts were being made to extend the life of outdated stock in the London area, but in the longer term financial restrictions made some real increase in fares likely. A five-year review had suggested that the Government's grant ceiling could be exceeded by 1981. Action was being taken to reduce that risk.

Passenger contributions to general overheads last year after covering direct costs were as follows:

- Inter-City, £153m (£127m in 1977).
- London and the South East, £89m (£68m).
- Services in major provincial cities, deficit £12m (−£10m).
- Other provincial services, deficit £36m (−£30m).

TRAVELLERS FARE, the rail catering organisation, lost just over £4m, against £3.4m in 1977, after price reductions as part of the board's marketing strategy. Train catering alone lost £4.87m last year.

FREIGHT: Volume was static at 170m tonnes, with less carriage of steel, oil and chemical products, offset by a gain in building and construction materials. Revenue increased by £36m to £384m, producing a virtual break-even against a loss the year before of £5.5m.

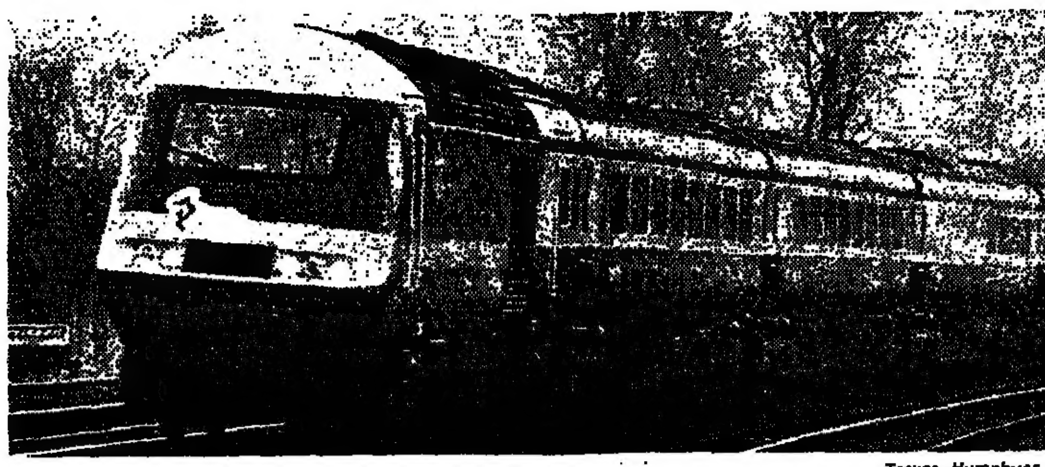
PARCELS: Revenue rose 8.9 per cent to £119m. Mail order traffic fell by 7.6m parcels, but there was continued growth in the premium Red Star service, which last year carried 5m packages, 8.9 per cent more than in 1977. The service is still making heavy losses, but figures are not given.

FREIGHTLINER, the container carrier which became a wholly owned subsidiary of the board in August, showed a £0.9m operating surplus on gross income of £51m. Volume fell slightly to 843,000, 20 ft equivalent units.

OPERATIONS: Total mileage operated rose by 3m miles, but punctuality deteriorated. Last year, 91 per cent of trains arrived within five minutes of schedule, against 93 per cent the year before. Standards were affected by occasional shortages of locomotives, delayed during maintenance by industrial action and extra engineering work associated with faster passenger and heavier freight trains.

A new range of performance indicators included in the report shows an 8 per cent improvement in loaded train miles per crew member between 1974 and 1978 and a steady reduction in the rate of subsidy from 1.72p per passenger mile in 1975 to 1.45p last year (at 1975 prices).

TRANSMARK, the railway consultancy service, increased turnover from £2.9m to £4.5m last year and showed a pre-tax surplus of £0.14m, against £0.09m in 1977. Overseas earnings last year reached £4.5m, but the company has not received progress billings of £0.5m on a major contract in Iran.



Trevor Humphries

British Rail's 125 High Speed Train: A promising performance

ENGINEERING: BREL increased turnover by 22 per cent to £314m, but full profit and loss accounts are not shown. Export orders worth almost £50m were received.

SHIPS, HARBOURS: The shipping division showed a record operating surplus of £12.2m (£9.1m in 1977) on turnover of £142m. There was further strong growth in Irish traffic (passenger numbers rose by 17 per cent) and steady growth on Continental services. The board's 11 harbours showed a surplus of £3m on gross income of £17m.

HOVERCRAFT: Again a heavy loss-maker after difficulties with industrial relations and the French-built N500 hovercraft, which caused many passengers to be transferred to conventional ferries. The operating loss for 1978 was £2.23m (£0.6m) on turnover of £5.66m.

HOTELS: The 29 hotels showed a fall in surplus from £1.5m in 1977 to £0.97m last year, on a turnover of £33.7m. This was attributed to the exceptional effects of Jubilee year in 1977 and bad weather and fluctuating exchange rates in 1978.

PROPERTY: Gross income rose 15 per cent to £34.2m, producing an operating surplus of £23.2m (£20.8m) and making it much the most profitable of BR's activities.

British Rail annual report and accounts 1978 (222 Marylebone Road, London NW1 6JJ, £1.50).

CONTRACTS

John Laing lays Welsh gas pipeline

Crossing about six-and-a-half miles of open country in North Wales, a high pressure 450 mm diameter gas pipeline is to be laid by the industrial engineering and construction division of JOHN LAING CONSTRUCTION under a £550,000 contract from Wales Gas. The pipeline, which runs between Llandegla and Ruthin, Clwyd, includes a block valve and two major thrust bored crossings. The work is part of an £8m pipeline scheme for North Wales.

★

SONY BROADCAST has won a £300,000 contract for the supply of studio and outside broadcast equipment to Westward Television. The equipment includes two videotape recorders, and a two-camera mobile production unit.

★

M. E. BOILERS, Peterborough, has orders totalling about £115,000 for four steam generators. The main order, for two units, was placed by Bechtel Great Britain on behalf of Abu Dhabi Gas Industries.

★

INTERNATIONAL AERADIO, which specialises in aviation communications, has won two contracts to provide air traffic control services, primarily for helicopters, in the North Sea.

The first contract, with Shell UK Exploration and Production, is for the operation of the East Shetland Basin Helicopter Flight Information Service Area (HFISA). The second is with Chevron Petroleum (UK), for air traffic services in the Ninian Field.

★

Three contracts, worth a total of £300,000, have been awarded to the Automated Systems Division of VICKERS. The orders are for the supply and installation of Conserv-a-trieve computer storage and retrieval systems—France, West Germany and Manchester.

★

Swindon Permanent Building Society and the Wessex Building Society have both ordered System Ten computers from INTERNATIONAL COMPUTERS. Total value of the two contracts, including software, is over £100,000.

★

STRUCTURAL DYNAMICS has been retained by Shell (UK) Exploration and Production to carry out a base line measurement survey on three oil production platforms in the Brent and Cormorant fields. Work includes recording the behaviour of up to 100 pieces of rotating machinery, such as gas turbines, generator sets and pumps, and is valued at about £100,000.

★

POLYBUILD, New Alresford, Hants, is supplying to Jordan £100,000-worth of polythene greenhouses designed for the cultivation of crops in desert conditions, such as tomatoes and cucumbers in the winter months. The units are 9 metres wide by 60 metres long, and the design allows full length ventilation.

Thatcher picks union law as first priority

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

REFORM OF trade union law would be the immediate priority of a Tor yGovernment upon taking office, Mrs. Margaret Thatcher, Conservative leader, indicated last night in her first big speech of the campaign.

Addressing her adoption meeting in Finchley, north London, she made clear that the Conservatives would not be deterred from key reforms on picketing, the closed shop and secret ballot.

She presented the Tories as the party of conciliation who were eager to avoid a confrontation with the unions. However, should confrontation arise, she would not shrink from it.

"We shall not wait until there is another industrial crisis on our hands to bring about the changes that everyone knows are needed," she said. "I want to make it plain that the Conservative Party will not turn back from these commitments."

The issue would be crucial in the election, she predicted. Boundary lines had to be drawn within which the trade union movement could fulfil its proper role of ensuring a fair return for its members work.

There should be an appropriate framework of law within which the unions would be free to do their rightful job "but would not be free to hold the community to ransom."

Mrs. Thatcher argued that three-quarters of the nation was convinced that changes in trade union law were essential to halting the decline of Britain. A majority in all parties also saw the need for reform.

"I seek confrontation with no one," she declared. "But I will always strenuously oppose those at home whose aim is to disrupt our society and paralyse our economy, just as I will always stand up to those who threaten our nation and its allies with attack from abroad.

"You do not serve the cause of peace and social harmony by shrinking from such challenges. We say that excessive power, in no matter whose hands, will always be abused and should therefore be the subject of legal restraint."

She had no time for Labour's concordat with the unions and dismissed it as "a piece of paper—no more than a piece of window dressing."

In addition to the tax cutting proposals outlined in the manifesto, she dwelt at length on thet disruption caused by strikes last winter and on the Tory concern for law and order.

She was anxious to rebut the Prime Minister's accusation that a Tory Government would mean an increase in unemployment. She recalled that the last Tory Administration had left unemployment below 600,000 while under Labour it had risen above 1.3m. Unemployment could not be countered by creating more artificial jobs.

Labour, she said, planned to cut Britain's defence forces still further. Their restoration "would be the first charge of the Budget of any Government over which I shall preside."

Tories on shipbuilding, Page 7. John Peyton on Common Agricultural Policy, Page 37

Manifesto 'abolishes law of mathematics'

BY JOHN HUNT

THE CONSERVATIVE Party manifesto was the target for a carefully timed attack by the big guns of the Labour Party yesterday, almost before the ink was dry on its pages.

As Mrs. Thatcher was introducing it at Conservative Central Office, the Prime Minister and his team were lambasting it at Transport House only 30 yards away.

Scoffing at the Tory promises to cut income tax, Mr. Denis Healey, the Chancellor, declared: "This is the vaguest thing I have ever seen. It is absolutely offering people money for nothing.

"It is even more revolutionary than the Communist one. The Communists want to abolish the class system. The Conservative manifesto is trying to abolish the law of mathematics."

If the Tories meant what they said, he estimated it would mean that they plan to cut income tax by at least £1bn by reductions in public expenditure. If, in addition, they increased the personal allowances in line with the Rooker-Wise Amendment, income tax would have to be reduced by a minimum of £2bn altogether.

Yet, he maintained, the Tories had been very cool towards increases in allowances. Sir Geoffrey Howe, shadow Chancellor, had said that he could not accept a commitment to the Rooker-Wise Amendment.

Mrs. Shirley Williams, the Prices Secretary, reverting to her former role as Education Secretary, claimed that if the manifesto was implemented it would mean cuts of £150m in the education budget.

Taking out a piece of chalk, she listed them on a blackboard with the help of occasional prodding by Mr. Callaghan.

Her estimated figures for planned Tory reductions in education were:—

Cuts in school meals, £16m; introduction of charges at public libraries, £11m; cutting school building improvements, £10m; increasing fees for students in further education and universities, £10m; cuts in further education building, £17m; increasing school meal charges by 10p, £44m; cutting the total number of school teachers by 4,000, £16m; abolishing in-service training for teachers, £23m; cuts in nursery education, £3m;

She said: "This manifesto is full of blathering platitudes. It really is a smokescreen election."

Mr. Callaghan told the Press conference that in his travels in Scotland and the north-west this week, he found that people were afraid that Conservative policies would put up prices and increase unemployment.

He put three questions on the Conservative manifesto: By how much would it raise prices? Many people will be out of work? Who would pay for it?

"If the Conservatives cannot give straight answers to these questions the country will know what conclusions to draw."

Mr. Healey wanted to know how Mrs. Thatcher made her sums add up: Did the Conservatives intend to cut income tax lower down the scale and if so what would be the cost?

Where they proposing to keep the lower rate band of tax which had been introduced by Labour and would they see that it moved in line with inflation?

Then he wanted to know if they proposed to reduce the basic rate of income tax—a move which could cost £400m a year.

Yet, he said, the Tories were saying they would increase defence by £70m a year over five years and would increase spending on law and order. Taken together, this would mean extra expenditure of about £500m.

Perhaps, he suggested, the Tories would achieve this by increasing council house rents, charging for hospital beds in the National Health Service and putting up prescription charges.

Ashley Ashwood

Lesson time: Mrs. Williams shows the cost of Conservative education policies.

Conservatives plan era of economic expansion

BY IVOR OWEN

A CONFIDENT and relaxed Mrs. Margaret Thatcher launched the Conservative manifesto yesterday with a forecast that it will lead to a new era of economic expansion in Britain marked by steady change.

She ruled out immediate and indiscriminate cuts in state aid for industry, insisted that she is not anticipating a confrontation with the trade unions, and refused to become embroiled in discussions about a possible pact with the Liberals.

"I am going flat out for a straight, clear victory which will give up five years, and another five years after that," the Tory leader declared.

Mrs. Thatcher rejected Labour charges that the Conservatives are contemplating a programme of massive public expenditure cuts which must lead to rising unemployment.

Questioned about BL, she stressed: "You cannot suddenly chop off any industrial subsidy."

Looking to a gradual reduction in state aid to industry, Mrs. Thatcher maintained that the object of subsidies must be to mitigate change and give non-viable organisations a chance to become viable.

It would be "a cruel deception" to lead people to believe that they could keep jobs in projects which were not viable.

Mrs. Thatcher made it plain that far from anticipating a confrontation with the trade unions she expected trade union leaders to co-operate with the new Conservative government in the same way as they had co-operated with pervious Governments.

She asserted that on May 3 a larger proportion of Britain's 12m trade unionists would be voting Conservative than ever before.

"I believe we will get a great deal of co-operation."

The Tory leader underlined the fact that the manifesto was "modest" in its promises. But the substantial cuts to be made in income-tax in the first Budget would be "a start and only a start."

Tax cuts would provide the stimulus needed to turn round the economy — she did not underestimate the problems this involved—and would signal the change to a wholly different direction.

Incentives were needed to encourage creation of new wealth and with it an improvement in living standards. One of the objects of cutting direct taxation was to make it worthwhile to do extra work, improve management and make British industry more efficient.

Would tax cuts cause short-term problems with the money supply, Mrs. Thatcher was asked. "I trust not," she said. "We will keep a very tight watch on it."

Mrs. Thatcher explained that the new Conservative approach to the payment of social security benefits to strikers reflected the belief that the trade unions should bear some proportion of the cost of disputes in which they were involved.

"We believe that the unions should pay more strike money, and that larger amounts should be taken into account in calculating social security benefits."

Mr. James Prior, the Conservative employment spokesman—one of the shadow Cabinet team which accompanied Mrs. Thatcher — acknowledged that the unions would need time to build up their funds.

Whitelaw silent on hanging

MR. WILLIAM WHITELAW, *Shadow Home Secretary*, will not announce his attitude to demands for restoration of capital punishment until after the general election.

As expected, the Conservative manifesto confirms that if Mrs. Thatcher, a supporter of the death penalty, becomes Prime Minister, the House of Commons will soon be given a free vote on the issue.

Mr. Whitelaw, an advocate of the death penalty before its abolition in 1965, has voted against previons attempts to reintroduce it on the grounds that it would be wrong "to put the clock back."

ELECTION ODDS: The price on a Labour victory shortened yesterday. After a bet of £6,000, Corals reduced the price of Labour from 11-4 to 5-2. Corals are still offering 3-10 on a Conservative victory. Mecca Bookmakers also reported heavy betting on Labour and shortened the odds from 5 to 1 to 2 to 1.

NEAVE'S CONSTITUENCY: Abingdon Tories have selected Mr. Tony Benyon, aged 36 ,to fight the safe Conservative seat held by Mr. Airey Neave until his death 10 days ago.

DOWNING STREET POST: If Mrs. Margaret Thatcher is elected as Britain's first woman Prime Minister, one of her earliest decisions will be to appoint a new Principal Private Secretary. Mr. Kenneth Stowe, Principal Private Secretary to the Prime Minister since 1975, is to take up a Deputy Secretary post in the Northern Ireland Office.

STAMINA: Mr. Edward Heath, former Tory leader, was presented with a kilo of stone-ground oatmeal to give him stamina for his campaign, during a visit to Cupar, Fife yesterday. The gift was made while he toured the town on foot.

Steel seeks cancellation of nuclear power plants

MR. DAVID STEEL, whose Liberal Party is under some pressure in the south-west from ecology candidates, has emphasised the dangers of nuclear power.

He called for the cancellation of the advanced gas-cooled reactor (AGR) nuclear power stations planed for Torness in Scotland and for Heysham, Lancashire, until the problem of nuclear waste disposal had been solved.

Speaking to a rally in Richmond, Surrey, last night, Mr. Steel said that the hasty development of nuclear power "threatens the openness and balance which should be the mark of our civilisation."

He called for a permanent Energy Commission and the postponement of nuclear reprocessing and fast breeder reactor programmes, as well as of the AGR construction.

Earlier, in a speech at Truro, Cornwall, he had predicted that the Liberal Party would double its number of West Country MPs after the election.

The party now holds Truro, North Cornwall and North Devon. Mr. Steel said that it might take Bodmin and Totnes, and possibly Tiverton as well. All are at present Conservative-held.

Speaking in London, Mr. Alan Beith, the Liberal chief whip, said that the Labour and Conservative parties still thought that the British people "could be won over by quick and easy policies."

They treated politics like a "game of monopoly" and their manifestoes amounted to "another patchwork of short-term policies."

"We believe that the ordinary voter now realises that giveaways and repeated changes of direction in industrial policy, in public expenditure, in housing and education, offer Britain the road to ruin rather than recovery."

Mr. Keith said that the Government had made "determined attempts to kill off Clement Freud's Information Bill during the last three months." The Liberal manifesto offered a long-term prospect of economical, political and social reform.

In a statement on his promise to cut income-tax without cutting public expenditure, Mr. John Pardoe, the Liberal economics spokesman, said that the reduction in the standard rate of tax from 33p to 25p, plus the indexation of the personal allowance, would cost £3.9bn.

That would be recovered by an increase in VAT, a 2 per cent increase in employers' National Insurance surcharge, by indexation of duties on tobacco and alchohol, by changes in company taxation and by increased revenue from North Sea oil.

Capital tax reforms promised

By David Freud

THE Conservative manifesto promises wholesale reform of capital taxation in the longer-term, while in the short-term the Tories say they will "deal with the most damaging features of the Capital Transfer and Capital Gains Taxes."

They are unlikely to set up a Royal Commission on capital taxation because of the time this would take, but they plan to consult widely and do not expect to be able to bring in comprehensive legislation for at least two years.

Meanwhile, they are likely to raise the rates and thresholds of the two taxes and make several piecemeal changes to the legislation.

The underlying reason for the Tories' concern over the taxes is the way inflation has distorted their intended effect.

This is particularly important with capital gains tax. The Tories believe this has become *predominantly* a tax on artificial gains and not on real increases in the value of assets.

Some support for this view is provided by a Parliamentary Answer by the Chancellor in November 1977, which suggested that three-quarters of the tax take was based on artificial gains.

Asked whether indexing would have reduced the amount of Capital Gains Tax from £330m to £80m, he admitted: "It is probable that a measure that took into account inflation would have an effect of the order mentioned."

The individuals and companies worst hit have been those in the stock and property markets.

The Labour Government tackled the problem by removing the first £1,000 of capital gain from liability and cutting the rate on the next £4,000 from the standard 30 per cent to 15 per cent.

However, the Conservatives would aim either to index the tax or taper it, so that the liability runs down over a number of years.

The capital Transfer Tax, which was introduced in the 1975 Finance Act, has also, in Tory eyes, been badly distorted by inflation. Family businesses and home-owners have been the worst hit here.

The threshold after which the tax became payable was raised by Labour from £15,000 to £25,000, but the higher rates were raised only by the corresponding £10,000 and not proportionately.

This means that many people with houses in the more expensive parts of the country will, on death, become taxable at quite high marginal rates.

The rate on the tranche between £40,000 and £50,000, for instance, is 25 per cent.

The Tories argue that inflation has had the effect of making CTT, which was introduced as a way of breaking up large concentrations of inherited wealth, much more broadly-based.

In the 1978-79 financial year, the tax is estimated to have totalled some £320m, but in the first years of introduction the take has been much reduced by the concession allowing spouses to take over possessions without being liable to CTT.

It is likely to go up dramatically as time goes on and ownership is passed down to the next generation. The Tories are likely to tackle this in the first instance by bringing rates back to their original level in real terms.

The prospect of imminent change could mean a delay in the first levy on trusts due next year. This levy, imposed because assets in trust never change hands and therefore do not become liable to CTT, is to be imposed every ten years at 30 per cent of death scale rates for CTT.

If CTT rates are to be changed, however, next year's initial levy at current rates would be unfair and a delay might, therefore, be appropriate.

Labour in Scotland rides crest of wave

FINANCIAL TIMES REPORTER

AN ALMOST brash Scottish Council of the Labour Party presented its election manifesto, The Better Way for Scotland, yesterday knowing that although Labour is behind the Conservatives in opinion polls in England, in Scotland it is the reverse.

Mr. Bruce Millan, Scottish Secretary, hinted that a Labour Government might even seek to strengthen the Scotland Act, presumably with the inroduction of tax-raising power for a Scottish Assembly.

The manifesto reaffirms the party's commitment to devolution. "We are ready to discuss constructively with all concerned any changes which would make the scheme in the present Act more widely acceptable so that we can establish an Assembly."

Mr. Millan said it must be recognised that the "Yes" majority in the referendum was narrower than the Government would have liked.

He added that he was looking for an increase on the 41 Labour seats at the last General Election.

A Labour Government would give priority to the proposal from the Highlands and Islands Development Board for powers to purchase estates and land compulsorily failing agreement with the few landowners failing fully to utilise their land.

A Labour Government would also give broader powers to the Scottish Development Agency, which, under the recent Industry Act, had its budget increased from £300m to £800m.

Labour's main election theme in Scotland will be jobs: saving existing ones and creating new ones. "We shall save jobs wherever we can but the Tories are fighting this election on the basis that where jobs are uneconomic and profits not being made, the Government should stand back and let workers go to the wall."

The manifesto finds the Conservatives irrelevant to Scotland's needs and the Scottish National Party united only in seeking the break-up of the United Kingdom.

It was manifesto day, too, for the Scottish Liberal Party.

Mr. Russell Johnston, leader of the party in Scotland, said Liberals adhered to a federal structure for the UK. Proportional representation would remove fears that a Scottish Parliament would be dominated by factional interests.

On a possible pact in a hung Parliament, Mr. Johnston said: "We feel we sold ourselves too cheap in the last Lib-Lab agreement." Before any formal coalition with a Cabinet seat, there must be at least 30 Liberal MPs to maintain the party's individuality.

The Liberals are fighting 42 of the 71 Scottish seats. Their manifesto supports devolution and says that a Scottish Parliament should receive the Scottish share of UK taxation, have the right to raise taxes and receive half of North Sea oil revenue.

● The Communist Party promised yesterday to work for a massive Labour victory in Scotland. But stated its determination to win maximum support *for its candidates in the 12* Scottish seats it is fighting.

Tories plan strike 'disincentive'

BY CHRISTIAN TYLER, LABOUR EDITOR

"WE SHALL ensure that unions bear their fair share of the cost of supporting those of their members who are on strike."

This sentence from the Conservatives' manifesto conceals one of the most politically sensitive proposals of the whole programme.

Known within Tory councils as the "deeming proposal," it aims to introduce a financial disincentive for strike action.

Unions would be deemed to be supporting their striking members out of their dispute funds, whether or not they were in fact doing so.

This payment would be deducted from the social security benefits for which the wives and dependants of people on strike can presently claim.

Although no firm figure has been put on this "deemed" amount, Mr. James Prior, the Conservative employment spokesman, yesterday said that it would be fairly low to begin with — perhaps around £9 a week. (This is around the top end of strike pay given by most manual trade unions.)

The aim, he said, would be to encourage unions to build up their strike funds and become increasingly responsible for giving financial support. The figure would be a matter for consultation with the unions but might, for instance, be indexed to the rate of inflation.

At the moment the Conservatives plan to effect this deduction from state benefits for unofficial as well as official strikes. In theory, therefore, the half dozen unions with members involved in the present craftsmen's strike at British Leyland would be deemed to be paying those strikers, however much they opposed the strike in practice.

The Conservatives would also look at the question of tax rebates for strikers, but no clear proposal has yet emerged.

Mr. Prior summarised the Party's objective by saying: "Strikes used to be against employers. Now they are very commonly against the state.

Conservatives have long wanted to remove what they argue is a state subsidy for strike action, but it has not gone unremarked that Sir Keith Joseph, when Minister of Health, opposed the use of any penalty against the families of strikers.

SNP weakens traditional allegiances

BY RAY PERMAN, SCOTTISH CORRESPONDENT

DRIVING UP to the 500-year-old Fingask Castle with a Parliamentary candidate for Perth and East Perthshire, one could be forgiven for feeling that here, at least, some things do not change.

The laird greets us warmly, hands out hats against the rain and takes us to the hamlet (population 42) at the foot of the castle grounds to give his endorsement in the door-to-door quest for votes.

This surely must be solid Tory country?

But it is not. The laird votes Scottish Nationalist and the candidate is Mr. Douglas Crawford, who achieved one of the biggest upsets of the October 1974 election by taking the seat from the Conservatives for the SNP. He believes now that not only can he hold it, but he will increase his majority.

East Perth and its mirror-image constituency, Kinross and West Perthshire, where the Tories held off an SNP challenge by only 53 votes last time, are undergoing deep social change.

The old feudal landowners are gradually being displaced by financial institutions, or buyers from abroad with their eyes on the return on capital rather than on preserving local employment. Land prices have risen so quickly that second and third sons of small farmers can no longer look forward to buying holdings of their own.

There are 8,000 new voters in the two constituencies since the last election, but the rural communities are losing population.

In the towns, 40 per cent live in council houses, and even prosperous looking places, like Perth and Crieff, have large, dingy post-war estates.

Factors like these, together with the record of the SNP in Westminster and the Tory failure north of the border to achieve the lead in the opinion polls maintained by the Party in England, make Perthshire disputed territory.

One explanation for the switch of life-long Tory voters to the SNP last time was the dissatisfaction of farmers with Conservative agriculture policies.

Mr. Ian Smith, who sold his photographic business two years ago to devote himself full time to the nationalist challenge in Kinross and West Perth, believes that his party's land policy, with its emphasis on the family farm, is a trump card.

His problem, however, is persuading people to go the whole way with the SNP. Only in an independent Scotland would nationalist land policies or the promised new referendum on EEC membership be likely to be implemented.

On the other side of the county, Mr. Crawford plays down independence.

"I want Scotland to have more say in her own affairs, but I don't want separation," he is often told.

"Nor do I," he replies, maintaining that SNP policy favours merely a re-alignment of the constitutional arrangements within the UK.

"It is a simple fact," he says, "that if the SNP vote goes up we get more say in our own affairs, if it goes down we get less."

The Conservatives know that to secure these two seats they must win back their own voters from the SNP. Labour and Liberal support is too low to expect a revival in the fortunes *of those parties to do the job* for them as it might do in some other constituencies won by the SNP in 1974.

In fact, the low Labour vote last time could encourage tactical voting among Labour supporters, who want to keep Mrs. Thatcher out of power.

Mr. Nicholas Fairbairn, who inherited Kinross and West Perth from Lord Home (still known familiarly as Sir Alec in this area), has yet to begin his re-election campaign. "We thought it inappropriate to start in Holy Week," his agent said.

Mr. Fairbairn's eccentric style, his flamboyant clothes, designed by himself, and his involvement with very un-Conservative causes made a sharp contrast with Sir Alec.

Recently, however, he has toned down his manner and his dress.

Tory organisation is revived, although posters in the Crieff party offices still tell "the bitter truth" that the party is hard up. The expectation among Conservatives is of a comfortable majority in West Perth after May 3.

In East Perthshire, Mr. Bill Walker, the Conservative candidate, also expresses confidence. He accepts that the key to winning back the seat is recovering traditional Tory votes.

"Last time, people wanted to give the Tory party a shock. I have been told by hundreds of them that they never thought the sitting member would be unseated, because his majority looked impregnable."

CANDIDATES

Perth and East Perthshire
Douglas Crawford (SNP)
William Walker (C)
Britton Goudie (Lib)
William McKenzie (Lab)

Kinross and West Perthshire
Ian Smith (SNP)
Nicholas Fairbairn (C)
Mrs Jenny Chapman (Lib)
Donald MacLeod (Lab)

OCTOBER 1974 RESULTS

Perth and East Perthshire:
D. Crawford (SNP) 17,337 (40.7 per cent
J. White (Lab) 5,805 (13.6 per cent)
R. Duncan (Lib) 2,351 (6.7 per cent)
Scottish Nationalist majority 793 (1.9 per cent).

Kinross and West Perthshire:
N. Fairbairn (C) 11,034 (41.7 per cent
D. Cameron (SNP) 10,981 (41.5 per cent)
D. Barrie (Lib) 2,427 (9.2 per cent)
D. Skene (Lab) 2,028 (7.7 per cent)
C majority 53 (0 2 per cent).

Nicholas Fairbairn (left) and Douglas Crawford.

Budget offer for Wales

BY ROBIN REEVES, WELSH CORRESPONDENT

LABOUR will press ahead with administrative devolution in Wales if returned to office, says the party's Welsh manifesto.

While accepting the blunt rejection of the Welsh Assembly in the referendum — and promising the repeal of the Wales Act — the manifesto commits a new Labour Government to establishing a single block budget for the Welsh Office.

This would enable the Secretary of State for Wales to decide on the allocation of public expenditure funds with Wales.

At present, flexibility in the allocation of funds is strictly limited. The Welsh Office is essentially confined to administering Wales' share of eight different Government departmental budgets.

The manifesto also promises to arrange fro the Rate Support Grant in Wales to be negotiated through the Welsh Office, instead of the present London negotiations in which Welsh local authorities complain that their needs are swamped by the calculation for other parts of the UK.

On political devolution, the manifesto stresses that the problems the Assembly was designed to deal with stil remain. It described as "urgent" the need National Health Service for democratic control of the

The manifesto suggests that a single tier of most-purpose local authorities would be preferable to "the present wasteful and confusing system

Other points include setting up a Welsh language commission, increased sheltered accommodation, grants to education authorities to help meet costs of bilingual education, and an expanded role for the Welsh Development Agency.

Sweeping reforms of trade unions planned

BY ELINOR GOODMAN, LOBBY STAFF

CUTS IN income tax of substantial but unspecified size form the main plank of the Conservatives' appeal to the electorate, disclosed yesterday.

The cuts, which, Mrs. Thatcher emphasised, were fundamental to the party's whole strategy for reviving Britain, will be funded partly from reductions in public spending and partly be an increase in indirect taxation. Government intervention in industry would be reduced as one way of saving State funds and the money supply would be kept under strict control.

But the manifesto, which contains less than the usual share of pre-election promises, also suggests that in the short term, some sacrifices may be necessary to ensure Britain's long-term recovery.

The manifesto includes, for the most part, proposals that have already been publicly endorsed by senior Conservatives — either in earlier *publications, such as* The Right Approach to the Economy—or in speeches. It does provide, however, considerably more detail in some key areas and, by altogether omitting other issues, emphasises the party's determination not to be distracted from its prime objective of cutting tax.

The manifesto confirms how far party policy has moved on the whole question of trade union reform during the past few months of industrial strife.

It contains pledges to legislate on secondary picketing and to change the law relating to closed shops. Unions would also be given State help in carrying out postal ballots, the document promises.

Those ideas first started to emerge some months ago, but the manifesto also contains a more recent suggestion by Mr. James Prior, Shadow Employment Secretary, that State benefits to strikers families should be reduced.

The manifesto says that a Conservative Government would review the position to ensure that unions beat the fair share of the cost of supporting their members while on strike.

The idea, spelt out by Mr. Prior two weeks ago, is that strikers would be taxed as if they were receiving strike pay from their unions, even if they were not.

The passage on pay refers, as expected, to "responsible pay bargaining," rather than free collective bargaining, or even, the phrase used in The Approach to the Economy: "responsible collective bargaining." Pay bargaining in the private sector, it says firmly, should be left to the companies and workers involved.

Acknowledging the inevitability of the Government's role as paymaster in the public sector, it emphasises the part that cash limits will have to play in determining wages.

As Mr. Prior was at pains to emphasise yesterday, there are no plans to terminate job subsidy schemes abruptly but the manifesto makes clear that that party hopes for big sagings in the Government's industrial investment programme. The role of the National Enterprise Board would be pruned under a Conservative Government while shares in the recently nationalised aerospace and shipbuilding concerns would be offered back to the public.

The Conservatives would also relax the rules restricting competition in the provision of domestic transport facilities.

Although there is no commitment to abolish the Rent Act in its entirety, the manifesto clarifies the party's determination to introduce a new system of shorthold tenure, which would mean that short-term rents would not be covered by the existing law. It also commits the party to dealing with "the more objectionable features" of the Capital Transfer and Capital Gains Taxes.

Apart from the general promise of big tax reductions and the party's plans for selling council houses cheaply, the manifesto is remarkably short of specific promises.

Instead of pledging a Conservative Government to particular action, it frequently talks instead about the need to carry out reviews.

Freddie Mansfield

Mrs. Margaret Thatcher, Conservative leader, at the party's manifesto press conference yesterday with Mr. William Whitelaw, left, and Lord Thorneycroft

Big income tax cuts fundamental to Tory strategy

THE MANIFESTO begins by decrying the way in which Britain has been allowed to go downhill. At times, last winter, it says, society "seemed to be on the brink of disintegration."

Labour, it says, must accept a fair proportion of the blame for that decline. The party, it says, "has made things worse in three ways. First, by practising the politics of envy and by actively discouraging the creation of wealth, it has set one group against another in an often bitter struggle to gain a larger share of a weak economy.

"Second, by enlarging the role of the State and diminishing the role of the individual, it has crippled the enterprise and effort on which a prosperous country with improving social services depends.

"Third, by heaping privilege without responsibility on the trade unions, Labour has given a minority of extremists the power to abuse individual liberties and to thwart Britain's chances of success. One result is that the trade union movement, which sprang from a deep and genuine fellow-feeling for the brotherhood of man, is today more distrusted and feared than ever before.

"It is not just that Labour has governed Britain badly. It has reached a dead-end. The very nature of the party now prevents it from governing successfully in a free society and mixed economy?

It terms the socialists "dividend against themselves; devoid of any policies except those which have led to and would worsen our present troubles; bound inescapably by ties of history, political dogma and financial dependence to a single powerful interest group."

Britain's decline, it says, is not inevitable. The Conservative Party can reverse it with a plan aimed at "restoring the health of our economic and social life, by controlling inflation and striking a fair balance between the rights and duties of trade union movement; restoring incentives so that hard work pays, success is rewarded and genuine new jobs are created in an expanding economy; upholding Parliament and the rule of law; supporting family life, by helping pople to become home owners, raising the standards of their children's education, and concentrating welfare services on the effective support of the old, the sick, the disabled and those who are in real need; and strengthening Britain's defences and working *with our allies to protect our* interests in an increasingly threatening world.

The manifesto goes on to tackle each objective in detail.

Inflation

Sound money and a fair balance between the rights and obligations of unions, management and the community in which they work are essential to economic recovery, it says. They should provide the stable conditions in which pay bargaining can take place as responsibly in Britain as it does in other countries.

"To master inflation, proper monetary discipline is essential, with publicly stated targets for the rate of growth of the money supply. At the same time, a gradual reduction in the size of the Government's borrowing requirement is also vital. This Government's price controls have done nothing to prevent inflation, as is proved by the doubling of prices since they came to power. All the controls have achieved is a loss of jobs and a reduction in consumer choice.

"The State takes too much of the nation's income; its share must be steadily reduced. When it spends and borrows too much, taxes, interest rates, prices and unemployment rise so that in the long run there is less wealth *with which to* improve our standard of living and our social services."

The manifesto acknowledges that substantial economies will have to be made and that that will not be possible without "change or complaint." But it gives a warning that if the Government does not economise "the sacrifices of ordinary people will be all the greater."

Important savings, it *maintains*, can be made in several ways. "We will scrap expensive socialist programmes, such as the nationalisation of building land. We shall reduce Government intervention in industry and particularly that of the National Enterprise Board, whose borrowing powers are planned to reach £4.5bn. We shall ensure that selective assistance to industry is not wasted, as it was in the case of Labour's assistance to certain oil platform yards, on which over £20m of public money was spent but no orders received.

"The reduction of waste, bureaucracy and over-government will also yield substantial savings. For example, we shall look for economies in the cost (about £1.2bn) of running our tax and social security systems. By comparison with private industry, local direct labour schemes waste an estimated £400m a year. Other examples of *waste abound, such as* the plan to spend £50m to build another town hall in Southwark."

Trade union reform

Free trade unions it emphasises can flourish only in a free society. "A strong and responsible trade union movement could play a big part in our economic recovery. We cannot go on, year after year, tearing ourselves apart in increasingly bitter and calamitous industrial disputes.

"In bringing about economic recovery, we should all be on the same side, Government and public, management and unions, employers and employees, all have a common interest in raising productivity and profits, thus increasing investment and *employment*, and improving real living standards for everyone in a high-productivity, high-wage, low-tax economy.

Picketing

"Yet at the moment we have the reverse — an economy in which the Government has to hold wages *down to try to make* us competitive with other countries *where higher* real wages are paid for by higher output.

"The crippling industrial disruption *which hit Britain last* winter had several causes: years with no growth in production; rigid pay control; high marginal rates of taxation; and the extension of trade union power and privileges.

"Between 1974 and 1976, Labour enacted a 'militants' charter of trade union legislation. It tilted the balance of power in bargaining throughout industry away from responsible management and towards unions, and sometimes towards unofficial groups of workers acting in defiance of their official union leadership."

It then proposes three *changes* that it believes should be made at once and for which it argues there is general support.

"Workers involved in a *dispute have a right to try peacefully* to persuade others to support them by picketing, but we believe that right should be limited to those in dispute picketing at their own place of work.

"In the last few years some of the picketing we have witnessed *has gone much too* far. Violence, intimidation and obstruction cannot be tolerated. We shall ensure that the protection of the law is available to those not concerned in the dispute but who at present can suffer severely from secondary action (picketing, blacking and *blockading*).

"This means an immediate review of the existing law on immunities in the light of *recent decisions, followed* by such amendment as may be appropriate of the 1976 legislation in this field. We shall also make any further changes that are necessary so that a citizen's right to work and go about his or her lawful business free from intimidation or obstruction is guaranteed.

"Labour's strengthening of the closed shop has made picketing a more objectionable weapon. In some disputes, pickets have threatened other workers with the withdrawal of their union cards if they refuse to co-operate.

"No union card can mean no job. So the law must be changed. People arbitrarily excluded or expelled from any union must be given the right of appeal to a court of law. Existing employees and those with personal conviction must be adequately protected, and if they lose their jobs as a result of a closed shop they must be entitled to ample compensation.

"In addition, all agreements for a closed shop must be drawn up in line with the best practice followed at present and only if an overwhelming majority of the workers involved vote for it by secret ballot. We shall therefore propose a statutory code under Section 6 of the 1975 Employment Protection Act.

Wider participation

"We will not permit a closed shop in the non-industrial civil service *and will resist further* moves towards it in the newspaper industry. We are also committed to an inquiry into the activities of the SLADE union, which have done so much to bring trade unionism into disrepute.

"Too often trade unions are dominated by a handful of extremists who do not reflect the common-sense views of most union members.

"Wider use of secret ballots for decision-making throughout the trade union movement should be given every encouragement. We will therefore provide public funds for postal *ballots for* union elections and other important issues. Every trade unionist should be free to record his decisions as every voter has done for a hundred years in parliamentary *elections*, without others watching and *taking note*."

In a brief reference to industrial democracy, the manifesto says:

"We welcome closer involvement of workers, whether trade unionists or not, in the decisions that affect them at their place of work. It would be wrong to impose by law a system of participation in every company. It would be equally wrong to use the pretext of encouraging genuine worker involvement in order simply to increase union power or facilitate union control of pension funds."

Strike benefit

The document argues:

"Further changes may be needed to encourage people to behave responsibly and keep the bargains they make at work. Many deficiencies of British industrial relations are without foreign parallel. Strikes are too often a weapon of first rather than last resort. One cause is the financial treatment of *strikers and their families*. In reviewing the position, therefore, we shall ensure that unions bear their fair share of the cost of supporting those of their members *who are on strike*.

Pay bargaining

Turning to pay policy, the *manifesto says that* Labour's approach to industrial relations and its economic policies have made realistic and responsible pay bargaining almost *impossible*. "After encouraging the 'social contract' chaos of 1974-75, they tried to impose responsibility by the prolonged and rigid control of incomes. This policy collapsed last winter, as we warned that it would.

"To restore responsible pay bargaining, we must all start by recognising that Britain is a low-paid country because we have steadily become less efficient, less productive, less reliable and less competitive. Under this Government, we have more than doubled our pay but actually produced less in manufacturing industry. It will do yet further harm to go on printing money to pay ourselves more without first earning more. That would lead to even higher prices, fewer jobs and falling living standards.

"The return to responsibility will not be easy. It requires that people keep more of what they earn; that effort and skill earn larger rewards; and that the State leaves more resources for industry. There should also be more open and informed discussion of the Government's economic objectives (as happens, for example, in Germany and other countries) so that there is wider understanding of the consequences of unrealistic *bargaining and industrial action*.

"Pay bargaining in the private sector should be left to the companies and workers concerned. At the end of the day, no one should or can protect them from the results of the agreements they make.

"Different considerations apply to some extent to the public sector, of whose seven million workers the Government directly employs only a minority. In the great public *corporations, pay bargaining should be* governed, as in private ones, by what each can afford. There can be no question of subsidising excessive pay deals.

"Pay bargaining in central and local government, and other services such as health and education, must take place within the limits of what the taxpayer and ratepayer can afford. It is conducted under a variety of arrangements, some of long standing, such as pay research.

"In consultation with the unions, we will reconcile these with the cash limits used to control public spending, and *seek to conclude no-strike agreements* in a few essential services. Bargaining must also be put on a sounder economic footing, so that public sector wage *settlements take full* account of supply and demand and differences between regions, manning levels, job security and pension arrangements."

The manifesto argues that Labour has gone to great lengths to conceal the damage it has done to the economy. To become more prosperous, Britain must become more productive, and the British people must be given more incentive, the document insists.

A Conservative Government would, it says, cut income tax at all levels to reward hard work, responsibility and success; tackle the poverty trap; encourage saving and the wider ownership of property; simplify taxes — like VAT; and reduce tax bureaucracy.

"It is especially important to *cut the absurdly high marginal* rates of tax both at the bottom and top of the income scale. It must pay a man or woman significantly more to be in, *rather than out of, work. Raising* tax thesholds will let the low-paid out of the tax net altogether, and unemployment and short-term sickness benefit *must be brought into the* computation of annual income.

"The top rate of income tax should be cut to the European average and the higher tax bands widened. To encourage saving we will reduce the burden of the investment income surcharge.

"This will greatly help those pensioners who pay this additional tax on the income from their lift-time savings, and who suffer so badly by comparison with members of occupatoinal or inflation-proofed pension schemes.

Growing North Sea oil revenues and reductions in Labour's *public spending plans* will not be enough to pay for the income tax cuts the country needs it acknowledges, "We must therefore be prepared to switch to some extent from taxes on earnings to taxes on spending. Value-added tax does not apply, and will not be extended, to necessities like food, fuel, housing and transport. Moreover the levels of State pensions and other *benefits take price rises into* account."

The manifesto confirms that the Conservatives reject Labour's plan for a wealth tax. It also says the party will deal with the "most damaging features of the capital transfer and capital gains taxes," and propose a simpler system of capital taxation. "We will expand and build on existing schemes for encouraging employee share-ownership and our tax policies generally will provide incentive to save and build up capital," it promises.

Industry, commerce

Lower taxes on earnings and savings will encourage economic growth. But on their own they will not be enough to secure it, the manifesto emphasises.

"Profits are the foundation *of a free enterprise economy*. In Britain profits are still dangerously low. Price controls can prevent them from reaching a level adequate for the investment we need. In order to ensure effective competition and fair pricing policies, we will review the working of the Monopolies Commission, the Office of Fair Trading and the Price Commission, with the legislation which governs their activities."

Jobs

The programme argues that too much emphasis has been put on attempts to preserve existing jobs. The country needs to concentrate more on the creation of conditions in which new, more modern, more secure, better paid jobs come into existence. This, it says, is the best way of helping the unemployed and those threatened with the loss of their *jobs in the future*.

"Government strategies and plans cannot produce revival, nor can subsidies. Where it is in the national interest to help a firm in difficulties, such help must be temporary and tapered.

"We all hope that those firms which are at present being helped by the taxpayer will soon be able to succeed by themselves: but success or failure lies in their own hands.

"*Of course, government can* help to ease industrial change in those regions dependent on older, declining industries. We do not propose sudden, sharp changes in the measures now in force. However, there is a strong case for relating government assistance to projects more closely to the number of jobs they create."

Nationalisation

The British people, it claims, oppose Labour's plans to nationalise yet more companies and industries such as building, banking, insurance, pharmaceuticals and road haulage. More *nationalisation* would further impoverish Britain and further undermine freedom.

"We will offer to sell back to private ownership the recently nationalised aerospace and shipbuilding concerns, giving their employees the opportunity to purchase shares."

The party also aims to sell shares in the National Freight Corporation to the general public in order to achieve substantial private investment in it. It will relax the Traffic Commissioner licensing regulations to enable new bus and other services to develop—particularly in rural areas—and we will encourage new private operators.

Even where Labour has not nationalised, it interferes too much the manifesto claims. The Conservatives would therefore amend the 1975 Industry Act and restrict the powers of the National Enterprise Board solely to the administration of the Government's temporary shareholdings, to be sold off as circumstances permit. "We want to see those industries *that remain nationalised* running more successfully and we will therefore interfere less with their management and set them a clearer financial discipline in which to work."

High productivity, it says, is the key to the future of industries like British Rail, where improvements would benefit both the workforce and passengers who have faced unprecedented fare increases over the last five years.

Just as the party rejects nationalisation, so it opposes import controls. It argues that they would restrict consumer choice, raise prices and invite damaging retaliation against British goods overseas.

Small businesses

Creation of new jobs depends greatly on the success of *smaller* businesses, it claims. The Conservatives' cuts in direct and capital taxation, the simplification of VAT and our general economic and industrial relations policies are the key to their future.

"We shall make planning restraints less rigid; reduce the number of official forms and make them simpler; provide safeguards against unfair competition from direct labour; review the new 714 Certificate system for subcontractors and review with representatives of the self-employed their National Insurance and pension position. as the Employment Protection Act where they damage smaller businesses—and larger ones too—and actually prevent the creation of jobs."

The manifesto contains a commitment to a thorough review of the enforcement procedures of Customs and Excise and the Inland Revenue, and introduce an easier regime for small firms in respect of company law and the disclosure of their affairs.

Energy

Development of energy resources provides a challenge for nationalised industries and the private sector, it says.

"Nowhere has private enterprise been more successful in creating jobs and wealth for the nation than in bringing North Sea oil and gas ashore. These benefits will be short-lived unless we pursue a vigorous policy for energy saving. Labour's interference has discouraged investment and could cost Britain billions of pounds in lost revenue.

"We shall undertake a complete review of all the activities of the British National Oil Corporation as soon as we take office. We shall ensure that our oil tax and licensing policies encourage new production."

Fishing

A Conservative Government would also seek changes in the way in which the British fishing industry is treated in the EEC.

"We would work for an agreement which recognised: first, that UK water contained more fish than those of the rest of the Community countries put together; secondly, the loss of fishing opportunities experienced by our fishermen; thirdly, the rights of inshore fishermen; last, and perhaps most important of all, the need for effective measures to conserve fish stocks which would be policed by individual coastal states.

"In the absence of agreement, *we would not* hesitate to take the necessary measures on our own, but of course on a non-discriminatory basis."

Law and order

The manifesto says that the most disturbing threat to our freedom and security is the growing disrespect for the rule of law. "In government as in opposition, Labour have undermined it. Yet respect for the rule of law is the basis of a free and civilised life. We will restore it, re-establishing the supremacy of Parliament and giving the right priority to the fight against crime."

Britain it says, needs strong, efficient police forces with high morale. Improved pay and conditions will help Chief Constables to recruit up to necessary establishment levels." We will therefore implement in full the *recommendations* of the Edmund Davies Committee. The police need more time to detect crime. So we will ease the weight of traffic supervision duties and review cumbersome court procedures which waste police time. We will also review the traffic laws, including the totting-up procedure."

A Tory Government would also amend the 1961 Criminal Justice Act which limits prison sentences on young adult offenders, and revise the Children and Young Persons Act, 1969, to give magistrates the power to make residential and secure care orders on juveniles.

More compulsory attendance centres for hooligans at junior and senior levels are also needed, it says.

The manifesto acknowledges that many people advocate capital punishment for murder. *This must remain a matter of* conscience for Members of Parliament, it says. But it promises the new Commons an early free vote.

Race relations

The rights of all British citizens legally settled here are *equal before* the law whatever their race, colour or creed it emphasises. "Their opportunities ought to be equal too. The ethnic minorities have already made a valuable contribution to the life of our nation."

But it goes on to argue that firm immigration control for the future is essential if we are to achieve good community relations. The manifesto claims it will end persistent fears about levels of immigration and will remove from those settled, and in many cases born here, the label of 'immigrant.'

"We shall introduce a new British Nationality Act to define entitlement to British citizenship and to the right of abode in this country. It will not adversely affect the right of anyone now permanently settled here.

"We shall end the practice of allowing permanent settlement for those who come here for a temporary stay.

"We shall limit entry of parents, grandparents and children over 18 to a small number of urgent compassionate cases.

"We shall end the concession introduced by the Labour government in 1974 to husbands and male fiancés. We shall severely restrict the issue of *work permits*.

Parliament supremacy

The manifesto promises that a Conservative Government would see that Parliament and no other body stands at the centre of the nation's life and decisions and that it is made effective *in its job of* controlling the Executive.

The Conservatives also say they are sympathetic to the approach of the all-pary parliamentary committees which proposed last year to improve the way the House of Commons legislates and scrutinises public spending and the work of government departments. A Tory Government would give the new House of Commons an early chance of coming to a decision on these proposals.

Northern Ire'and

The public, it says, has rightly grown anxious about many constitutional matters in the last few years. "Now Labour want not merely to abolish the House of Lords but to put nothing in its place. This would be a most dangerous step. A strong Second Chamber is necessary not only to revise legislation but also to guarantee our constitution and liberties.

The document says the Conservatives would maintain the Union of Great Britain and Northern Ireland in accordance with the wish of the majority in the Province. "Its future still depends on the defeat of terrorism and the restoration of law and order. We shall continue—with the help of the courage, resolution and restraint of the security forces—to give it the highest priority. There will be no amnesty for convicted terrorists," it emphasises.

"In the absence of devolved government, we will seek to establish one or more elected regional councils with a wide range of powers over local services. We recognise that Northern Ireland's industry will continue to require government support."

The manifesto details the party's plans to encourage home ownership. A Conservative Government would, it says, encourage shared purchase schemes which will enable people to buy a house or flat on mortgage, on the basis initially of a part-payment which they complete later when their incomes are high enough.

The time, it says, has come to end the restrictions on the sale of council houses. "In the first session of the next Parliament we shall therefore give council and new town tenants the legal right to buy their *homes, while recognising the* special circumstances of rural areas and sheltered housing for the elderly. Subject to safeguards over reseale, the terms we propose would *allow a discount* on market values reflecting the fact that council tenants effectively have security of tenure."

Discounts would range from 33 per cent after three years, rising with length of tenancy to a maximum of 50 per cent *after 20 years*.

As far as possible these rights would be extended to housing association tenants. "At the very least, we shall give these associations the power to sell to their tenants."

Council tenants who do not wish to buy their homes would be given new rights and responsibilities under a Tenants' Charter.

The manifesto says that as well as giving new impetus to the movement towards home ownership, the country must make better use of existing houses. Many empty properties are not let because the owners are deterred by legislation it claims. "We intend to introduce a new system of shorthold tenure which will allow short fixed-term lettings of these properties free of the most discouraging conditions of the present law. This provision will not, of course, affect the position of existing tenants. There should also be more flexible arrangements covering *accommodation for students*. At the same time, we must try to achieve a greater take-up in rent allowances for poorer tenants."

The manifesto goes on to deal in depth with arts and social issues. Coming to defence, it promises a "significant increase" in the Budget.

On Britain's EEC membership, it acknowledges that there are some Community policies that need to be changed since *they do not suit Britain's—or* Europe's best interests." But it is wrong to argue, as Labour do, that Europe has failed us. What has happened is that under Labour our country has been prevented from taking advantage of the opportunities which membership offers."

By forfeiting the trust of our partners, the manifesto argues. Labour has made it much more difficult to persuade them to agree to changes necessary in the Common Agricultural Policy, Community budget, and proposed Common Fisheries Policy.

The next Conservative Government will, it promises, restore Britain's influence by convincing our partners of our commitment to the Community's success.

The party's policies for agricultural reform would, it claims, reduce the burden the Community budget places upon the British taxpayer. Efforts would also be made to cut out waste in other Community spending programmes.

"National payments into the budget should be more closely related to ability to pay. Spending from the budget should be *concentrated* more strictly on policies and projects on which it makes sense for the Community rather than nation states to take the lead.

UK NEWS—LABOUR

BL 'piecemeal parity' condemned by Fraser

BY ALAN PIKE, LABOUR CORRESPONDENT

PROPOSALS by BL management to introduce pay parity on a plant by plant basis in spite of opposition from unions were condemned yesterday by leaders of the company's striking skilled workers.

Leaders of the unofficial BL United Craft Organisation met to review progress in the strike by between 3.000 and 4.000 craftsmen which began on Monday. They passed a resolution saying the piecemeal introduction of parity was "not acceptable."

Delegates representing the strikers agreed to continue the stoppage "until there is a positive commitment by the company and union executives to sole negotiating rights."

BL's decision to make parity payments to plants which qualify on productivity grounds—only five are in this position immediately — has infuriated both the unofficial strikers and their official union leaders. The latter will consider the position at an executive meeting of the Confederation of Shipbuilding and Engineering Unions today.

Mr. Roy Fraser, leader of the United Craft Organisation, said that the plan would make the present position worse by increasing the disparity in rates between plants. The strikers are demanding parity for skilled workers on a £90-a-week basic rate and separate negotiations.

Although the strike has not yet hit BL's car production, the strike leaders say that it will do so soon. Mr. Fraser claimed that production was "gradually grinding down" and said there was a "strong possibility" that some plants would close after the Easter holiday.

He also claimed that skilled men at some plants who did not join this week's action — including BL's biggest car works at Longbridge, Birmingham — were now reconsidering their position.

Mr. Fraser said that by refusing to talk to the strikers Mr. Michael Edwardes, chairman of BL, had created a situation in which the company would suffer considerable damage.

However, neither the company nor the strikers' unions recognise the unofficial organisation or believe that separate negotiations for craftsmen constitute the right approach.

Mr. Fraser, a shop steward at BL's Cowley body plant—one of the five factories which qualifies for immediate parity payments—is the subject of a disciplinary investigation by the Amalgamated Union of Engineering Workers.

Offer may lift threat to TV

BY PAULINE CLARK, LABOUR STAFF

THE THREAT of disruption to the BBC's Easter week-end television programmes may be lifted today when union leaders consider a new offer to engineering workers involved in a regarding dispute.

The BBC's biggest union, the Association of Broadcasting Staff, will discuss a revised backdating formula for between 2,000 and 3,000 engineering workers who decided at their union's annual meeting earlier this wek to take action over a pay claim.

The engineers, who are based at Acton, west London, have cofplained about delays in implementing payments to cover regarding and work with new technology.

Mr. Tony Hearn, general secretary of the ABS, said yesterday that a final decision on industrial action would not be taken until today's executive meeting. Talks with management at the BBC had produced a revision of the original date for backdated payments from May 1, 1977, to November 1, 1976.

The BBC said the revised offer also took into account the demand for more money for operating new technology and it hoped that certain equipment now lying idle would be "unblacked."

Chrysler seeks aid to save jobs

By Arthur Smith, Midlands Correspondent

CHRYSLER UK is seking State aid to avoid redundancies among nearly 1,500 Midlands workers, who have ben laid off for nine weeks.

The company agreed with shop stewards yesterday to make a joint application to the Department of Employment under the Government's temporary short time working scheme. The scheme provides for companies who give employees 75 per cent of their normal pay for days not worked, to be reimbursed in full by the state. The Department has to be satisfied workers would otherwise be made redundant.

The workers were made idle because of production difficulties at the Iran National Car Company which imports components from Chrysler. Output, which has ben at a standstill for much of this year has now been restored to around 75 per cent of normal levels.

Chrysler hopes that if the improvement is maintained work will resume on the Iran contract in July. The Stoke engine factory at Coventry supplies components worth more than £100m. a year to Iran.

Hopes fade as Times negotiations continue

BY ALAN PIKE, LABOUR CORRESPONDENT

NEGOTIATIONS on the Times Newspapers dispute continue today in an atmosphere of fading optimism and against a short deadline if publication is to be resumed next week.

Mr. Dugal Nisbet-Smith, the company's general manager, said that there would have to be a "very dramatic change in attitude" by some chapel (office union section) leadres if the relaunch of the company's publications, due to take place on Tuesday, was to go ahead.

Talks will continue today between management and representatives of the National Society of Operative Printers, Graphical and Media Personnel. Some of the most serious outstanding problems concern NATSOPA members, in particular the Sunday Times machine chapel. There are also continuing difficulties in concluding new agreements with the union's Sunday Times clerical chapel.

Officials of the Advisory, Conciliation and Arbitration Service will today meet management and representatives of the National Graphical Association to discuss remaining difficulties on one of the most fundamental issues in dispute—the operation of a proposed new computer-based composing system.

Although Times Newspapers wants journalists and advertising staff eventually to share access to the system—keystroking—with NGA members, next week's resumption, if it goes ahead, will be on the immediate basis of the NGA continuing to do all composing work.

The union has agreed to review the position in a few years time but Times Newspapers is holding out for a commitment that such a review will be more than a formality and will lead to journalists and tele-ad staff being able to use the system.

If negotiators feel that there is still progress to be made they are prepared to continue negotiations throughout the Easter weekend.

Theatre ballot verdict today

BY PAULINE CLARK, LABOUR STAFF

A MASS meeting of up to 400 theatrical workers at London's National Theatre will decide today whether to have a ballot on strike action in support of 27 sacked colleagues.

This follows the failure of renewed efforts by management to find a formula to end the dispute with members of the National Association of Theatrical, Television and Kine Employees' which has disrupted performances for nearly a month.

Management is seeking a firm agreement that unofficial industrial action by members of NATTKE will not happen again in the future. The union has demanded first, however, the reinstatement without conditions of the stage hands dismissed for taking action over a pay claim.

After meeting management under the umbrella of the Advisory Conciliation and Arbitration Service yesterday, Mr. John Wilson, general secretary of NATTKE, said: "The members inside must now make up their minds whether they want to be in or out."

Steel dispute worsens

STEELWORKS craftsmen representing 41,000 men throughout the industry yesterday voted for industrial action which could bring some plants ot a standstill.

Members of the National Craftsmen's co-ordinating committee, meeting in Sheffield, decided to step up industrial action in support of a pay claim. From May 6, overtime will be banned, they will refuse to answer emergency call-outs, and one-day srtikes will be called on a weekly basis at selected plants.

Tories to probe SLADE

A FIRM pledge that a Conservative Government would conduct an inquiry into the activities of SLADE, the print process workers union, was given in the Party's election manifesto.

Conservative spokesmen have frequently criticised SLADE, which has been accused of using blacking and bullying tactics in its efforts to recruit in advertising agencies. Yesterday the Moderate Action Group in the Slade Art Union — a section set up to cover the art field — said it would be asking all Parliamentary candidates to do their utmost to secure an inquiry.

Tory manifesto, Page 11

Perkins men to go back

SEVEN THOUSAND strikers, who have closed the Perkins diesel engine plant in Peterborough for five days, voted by a two-thirds majority at a mass meeting yesterday to resume normal working.

The return to work, urged by the AUEW national executive, will allow time for more talks on a parity claim.

Unions clash on teachers' pay claim

By Michael Dixon, Education Correspondent

LEADERS of the [illegible] biggest teachers' unions cl[illegible] yesterday over whether the 36.5 per cent claim for [illegible]000 school staff in England and Wales should be sent to the Comparability Commission or to arbitration.

As pay negotiations continued in the Burnham Committee in London, Mr. Terry Casey, general secretary of 112,000-member National Association of Schoolmasters and Union of Women Teachers, publicly accused Mr. Fred Jarvis, his counterpart in the 258,000-strong National Union of Teachers, of "a betrayal of the teaching profession."

The [illegible], with an absolute union majority on Burnham, favours reference to the Comparability Commission. The NAS wants the claim to go to arbitration.

Staging offer

A commission-reference with a 50/50 staging of any award in 1980 and 1981 has been oered by the education authority employers, in addition to a 9 per cent increase backdated to April 1.

The point of dispute between the employers' and the unions' panels is apparently whether the commission should be allowed to review teachers' working conditions, or whether it should be restricted to accepting that the working conditions remain as they were when investigated by the Houghton Committee in 1974.

The unions' panel maintains that the 36.5 per cent claim represents the amount needed to restore school staff to the relative pay levels recommended by Houghton.

Mr. Casey believes a reference to the commission would inevitably 'sell out" the position on working conditions established by the 1974 committee.

UNION EXECUTIVE GETS EXTRA POWERS AGAINST ITS WILL

Striking made easier for bank workers

BY NICK GARNETT, LABOUR STAFF

THE Banking, Insurance and Finance Union (formerly National Union of Bank Employees) decided yesterday to make it technically easier for its national executive committee to call strikes and other industrial action in banking and finance houses.

In spite of opposition from the executive itself, the annual conference of BIFU voted narrowly to abolish the rule that a voting majority of all staff entitled to vote on a particular issue must be secured before industrial action is taken.

The conference decided by 58,000 to 53,000 in a block vote that only a simple majority of those actually voting is needed.

This move followed an earlier conference decision to set up a national strike fund for the first time, again against the advice of the executive.

The rule that the executive committee can call industrial action only after a secret ballot of members involved remains.

The executive said that voting by simple majority would do nothing for the unions and drive away moderate people in the clearing banks' staff associations who might be sympathetic to joining the BIFU or to a merger between it and their associations.

It was wrong, it said, to change rules simply because a ballot had not gone the way the union wished. This was a reference to a ballot late last year on the possibility of a strike over the Christmas holiday in which the strike called did not receive support.

Some members also said that it would lead to members leaving the union.

A majority of delegates supported the view that the rules hindered calling of industrial action. Such action, they said, was necessary when there was an "irretrievable breakdown" in negotiations with management.

The conference decided to seek a three-month sabbatical holiday at the end of each ten years of service.

هكذا من الأصل

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● SAFETY AND SECURITY

Sealing conduits against fire

SPREAD of fire, smoke or water through apertures carrying electrical cables, conduits or plumbing through walls, floors and ceilings can be prevented by a transit and sealing system supplied by AB Lyckeaborgs Bruk of Karlskrona, Sweden.

Each cable is carried in a separate resilient block made of Tecron, a compound that expands greatly when heated—sufficiently to seal the aperture fully should a cable burn off on one side. The blocks are arranged in layers separated by retaining plates and compressed within an iron, aluminium or steel frame set into the wall or floor. In tests, the assembly has withstood 1100° C for up to six hours.

Installation of the system, known as Multi-Cable Transit (MCT), is estimated to cost 50 per cent less than conduits fireproofed by conventional techniques, and 60 per cent less than fireproofed cable trays. It helps contain fires in all buildings, including telephone exchanges with their complex networks of cables. Computer rooms too can be protected against the ingress of chlorine and hydrochloric acid produced by PVC-sheathed cable burning in adjoining rooms.

Originally developed to seal apertures in marine decks and bulkheads, MCT units will withstand a blast pressure of 16 bar to provide good protection against high-pressure hoses used in fighting fires.

Virtually any combination of cable sizes can be accommodated within each frame.

Blocks, made in two halves, are supplied in standard sizes with hole diameters from 4 mm to 200 mm. Unused spaces in the frame are filled with solid blanks, which may be removed later to add more cables.

When the frame is full, the rows of blocks are held firmly in position by a presswedge. Tightening the two bolts on the presswedge causes it to expand and seal the frame completely, thereby securing the assembly against shocks or vibration.

MCT frames occupy 60 per cent less space than conduit assemblies, and on vertical cable runs eliminate the need for supports. They are made in single and multiple form in three different heights, and may be welded to metal walls or floors, or cemented or bricked into masonry or sandwich walls—at an angle if required.

Sealing circular openings drilled in concrete walls is simplified by a further development, the RGP plug-in unit. Made completely of Tecron, and utilising similar insert blocks, the plug is simply pressed into the hole. Cables are secured in the normal way and the completed assembly is pushed fully home so that its flange locates against the wall.

Lyckeaborgs Bruk, S-371 00 Karlskrona, Sweden.

Code lock is pick-proof

PATENTED cylinder-locks operated by punched plastic cards provide high protection in hotels and aboard ship against loss, theft and duplication of keys. The VingCard system introduced by Trio-Ving, of Moss, Norway (a division of Elkem Spigerverket A/S) is simple and the inexpensive plastic cards make it practical to give every guest a new combination.

There are 4bn possible combinations of holes to operate the 32 steel balls which free the lock cylinder.

The locks have a dead-locking spring latch which is released by inserting the appropriate VingCard and turning the handle. The lock combination is pre-set by a code section separated from the key card and placed inside the lock by opening a cover on the inside escutcheon. Beneath the handle is a separate cylinder lock with a 20-mm dead bolt. From within the room, a knob operates the bolt. A signal outside then shows that the room is engaged. Staff may operate this lock and the card-operated latch from outside by means of a conventional master key.

A computer-controlled VingCard system enables guests' cards to be used to open gates, garage doors, etc., and to pay for goods and services. Charges are registered automatically, via card readers, in a computer and included on guests' bills.

Elkem-Spigerverket A/S Trio-Ving, 1510 Heyden, Moss, Norway.

● COMPUTING

Burroughs doubles the power

RELEASED IN the UK by Burroughs are the first systems in the company's new "900" Series. The two announced are the B 2930 and B 3950, for a broad cross-section of the computer market starting with first-time computer users upward to large, experienced companies.

These new systems provide up to five times the throughput performance of the entry-level B 2800 system in the "800" Series, occupy half as much space, and use 50 per cent less power. Main memory can be expanded to five times the maximum capacity available with current medium-scale systems. Prices start at £103,600, well below traditional mid-range levels. Software, including the Master Control Program, is priced separately.

Burroughs users can move to the new models, or operate them in conjunction with currently installed systems, without rewriting or even recompiling the programs they now use.

Purchase prices for the new entry-level B 2930 start at £103,600. The system's throughput performance is over two times that of the preceding entry-level B 2800. It has the new and faster, asynchronously operating, modular processor. Its 524,000-byte memory is expandable to 1m bytes, on very dense memory chips. The system includes a separate data communications processor, and a microprocessor-based, integrated disc controller.

Flow of data to and from peripheral units is controlled by newly designed data link processors. These are independent microprocessors, each of which is programmed to service a particular category of peripheral devices. Because these assume the overhead associated with input/output functions, central processors can operate more efficiently.

The more powerful B 3950, whose purchase price starts at £188,000, can be equipped with 2m to 5m bytes of main memory, and up to 32 of the new data link processors. Throughput performance of the B 3950 is up to five times that of the B 2800, depending on application, memory size, and number of data link processors.

Memory in both systems is made up of high-speed (16K) memory chips. Logic circuits use advanced, very dense TTL (transistor - transistor logic) bipolar microcircuit technology. Some circuit chips contain as many as 800 gates (electronic logic functions).

The systems are easily expandable. As many as three additional central processors can be attached to a B 2930 or B 3950 to form a multi-processor system in which the processors share disc file storage, peripherals, and communications subsystems. Such multiple processor systems can prove economical for users with a multiplicity of processing tasks and high volume workloads. The ability to share data between systems assists in providing full-time backup for operations that must continue around-the-clock.

Additional reliability is provided by new on-line diagnostic routines which allow field engineers to test system operation while the computer is doing its regular work, and by a new internal environmental monitoring feature which warns against excessive fluctuations in heat or power.

Both can function in a systems network based on Burroughs Network Architecture (BNA), and can also interface with competitive networks.

Burroughs has introduced a new software licensing plan. Software products which are required for system operation will now be packaged together and made available for a licence fee. Users may also select from a library of additional system software products.

Two new software products products are a workflow management system and a data management inquiry system.

Workflow management provides control capabilities which allow the user—exceptionally—to override the master control program's automatic work schedule, and to gain increased throughput by tailoring the machine's operation to fit a specific mix of jobs.

The data management inquiry makes it easier for authorised people and programs to gain access to information stored in the computer's data base.

Further information from 01-759 6522.

Tough RCA chip gets Tektronix support

RCA's 1802 8-bit microprocessor is to be supported by the Tektronix microprocessor development lab. Because of its C-MOS characteristics, the 1802 is widely used in severe environments and/or portable applications.

It will operate over a wide voltage range plus 4V to plus 12V. Fully static it will retain information in the absence of a clock signal, and has high noise immunity and wide temperature tolerance over the full military range of minus 55 degrees C to plus 125 degrees C.

The 1802 is available from RCA Solid State, the designer. Second sources include Hughes and Solid State Scientific.

The Tektronix 8002A development laboratory is a stand-alone system for the complete development and testing of both hardware and software in microprocessor based systems.

The 8001 provides hardware/software integration for software developed on the user's host computer.

Key option for both the 8001 and 8002A is the real-time prototype analyser, which provides the designer with a real-time trace of the user's program including up to eight external hardware locations in the prototype circuit.

Support is currently available for Intel 8080A and 8085A, Motorola 6800, Texas Instruments TMS 990, Zilog Z80 microprocessors and Mostek 3870/3872 microcomputers. Tektronix is developing equipment to support additional microprocessors and microcomputers.

Tektronix UK, Beaverton House, PO Box 69, Harpenden, Herts. Harpenden 63141.

Easy to use database

QUESTOR IS a second generation database management system which has been designed for the industrial and business user and requires no technical knowledge of computing.

People can develop the storage and recovery arrangements they require directly, rather than having to go through technical intermediaries.

It was designed and developed by Comshare and has been extensively tested and is used on Comshare's time sharing service, which allows direct access via on-line remote terminals and deferred batch processing. It accepts data typed directly on a terminal or, in the case of large amounts of data, punched cards or magnetic tape.

Integral validation facilities go hand in hand with rules for checking which may be entered as part of the Questor database system. These rules are automatically applied to any additions or modifications to the database. The user is prompted when invalid data is entered and can enter the correct value there and then.

This plus the more extensive security features available within the Comshare time-sharing service, maintains the integrity of the database.

Output can be in the form of reports or lists, which can be structured as required.

Comshare, 32-34 Great Peter Street, London SW1 2DB. 01-222 5865.

QUALITY CONTROL

Source of particle testers

GERMAN COMPANY Tiede GmbH, a leading manufacturer of magnetic particle inspection equipment in continental Europe, is to be represented in the U.K. by Wells-Krautkramer, Blackhorse Road, Letchworth, Herts. (04628 2644).

The UK companies believes that this will give it near-total coverage in the non-destructive testing equipment field.

Magnetic particle testing is particularly applicable to detection of surface and immediately sub-surface cracks and flaws in components, particularly in irregularly-shaped objects such as motor car crankshafts and connecting rods. Tiede's commitment to this branch of NDT over many years has given it the ability to deal with almost any application from the simplest hand-held operation to automatic installations.

● IN THE OFFICE

3M's three copiers

OVER A dozen new copiers will be launched in the UK this year, among them a 3M UK machine intended to make its mark in the 5,000-40,000 copies a month middle volume area.

Secretary III plain paper copier produces its first copy in just over four seconds and subsequent copies at 25 a minute.

Available on rental or by purchase, the copier has a list price of £6,290 which includes an automatic ten-bin sorter and a stand. According to 3M tests, five sets of six originals can be made in less than a minute and a half.

Secretary III is based on the indirect electrostatic process and uses a one-part dry toner to ensure constant copy quality. Modular design makes access easy for regular maintenance. A short 18 in straight paper path through the machine minimises the chances of jams.

Improved versatility is claimed for two new versions of the Secretary II plain paper copier compared with the first machine introduced some two years ago.

The Alpha version incorporates new technology in the form of a microprocessor for monitoring and controlling the copier's internal operations. It improves and stabilises the flow of paper through the machine, and adds to overall reliability because there are fewer moving parts.

Alpha produces 8 copies a minute and is fed by a single paper cassette. Like the original Secretary II it accepts a wide range of originals for copying.

The Beta copier working at 12 copies a minute, can be fed from either of its dual cassettes. This allows the operator to specify different sizes or colours as required.

In addition, the Beta copier has a versatility by-pass. This allows for manual feeding of transparencies for overhead projector use, for labels and larger-sized paper. The by-pass also permits copying on both sides of the paper.

Alpha and Beta desk-top copiers have a recommended 1,000-7,000 copies a month volume capacity and a list price of £2,199 and £2,849 respectively.

The company predicts further gains in plain paper machines from 82 per cent of the UK market (£197m) in 1978 to 84 per cent this year (£228m). At the same time, it expects coated paper equipment to drop its market share to 16 per cent from 18, though in value terms it will advance to £46m from £43m last year.

3M UK, 380 Harrow Road, London W9 2HU. 01-286 6044.

Clear data on chart

IN SPITE of the onward march of electronics, Planomatic of Elstree Aerodrome, Borehamwood, Herts WD6 3AR (01-207 4074) identifies the need for a multi-aspect wall chart signalling element that can be easily changed and clearly seen.

Accordingly the company has just designed a small plastics cell of overall size 17 x 14 x 14mm with a window in one face of the cube and housing a cylinder which when rotated offers six different faces.

Each face carries a coloured symbol so that, by simply "clicking" the cylinder round with a ball point pen or pencil, symbols that would otherwise have to be physically substituted can be brought instantly into view.

The system has already been operational with an Oxford boat hiring company, and should prove useful to organisations with a seat/accommodation/vehicle or similar booking routine, and in commerce and industry in general.

● INSTRUMENTS

Magnetic probe unit

NON-DESTRUCTIVE examination tool, the DA-200 contour probe, has been added to the range of equipment offered by Scanray (International Testing) of Bletchley, Milton Keynes. The probe is a rugged, portable, self-contained electronic instrument which creates powerful magnetic fields in magnetisable materials and uses the established principles of magnetic particle inspection to locate all surface, and most sub-surface, defects.

Combining selective ac and dc pulse functions into a single reliable instrument it will quickly locate all surface cracks in ferrous materials that can be brought between the pole pieces. The solid state dc pulse system has infinitely variable level control which provides the exact magnetic field strength required for applications ranging from small screw threads to heavy castings. The ac mode produces a strong ac field which can be used for certain types of inspection and for demagnetising work after inspection. The selective high energy ac or pulsed dc fields provide fast positive indications, eliminating the usual high-amperage arc burning of work surfaces.

The new probe, manufactured by Parker Research, will conform mechanically to practically any surface configuration and the electronic circuitry permits the selection of ac or dc fields which are infinitely variable from zero to maximum intensity.

Scanray, Banton Road, Water Eaton Industrial Estate, Bletchley. 0908 70771.

Miniature panel printer

HOUSED IN a half-DIN case measuring only 48 by 96 by 150 mm, the 230 printmechanism from Seltek Instruments, High Street, Stanstead Abbotts, Herts SG12 8AB (0920 871094) employs a static thermal print head on a ceramic substrate and can print up to nine columns on conventional 35 mm thermal paper.

Format is normally arranged as six digits including signs and symbols, a space and two columns of alphanumerics with most of the special symbols used in the scientific and engineering industries.

Input can be 8 by 4 bit parallel data, four bit data and four bit address, four bit data and eight line address or RS232C asynchronous.

The printer brings hard copy output within the reach of much portable instrumentation and operates at two lines per second. It can be powered from low voltage dc or from the mains.

● OFFSHORE

Probe used in training

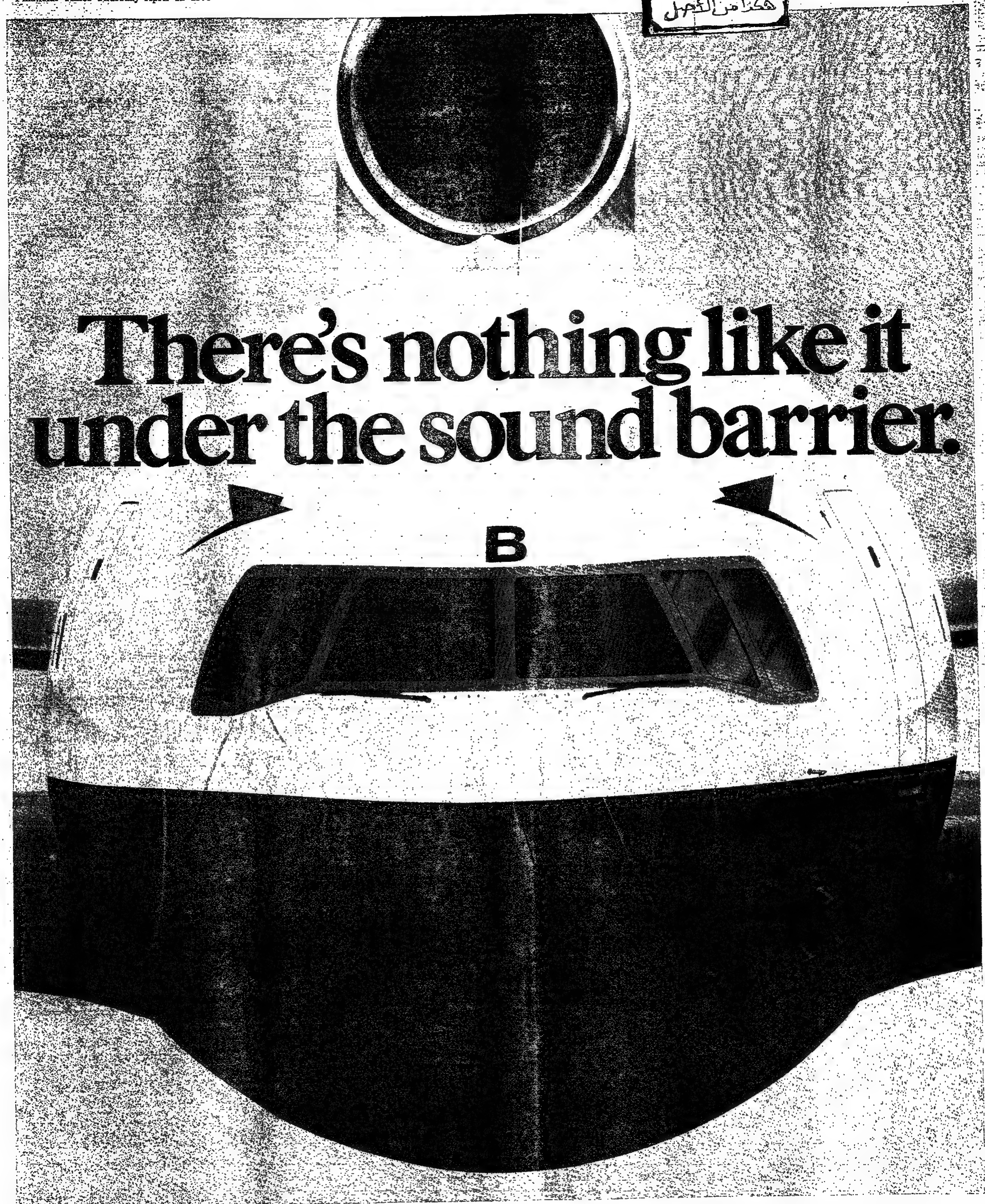
DIVING schools in Britain have started using the Seaprobe SP200 underwater ultrasonic thickness gauge to teach measurement techniques to divers.

Thickness gauging is an essential feature of underwater inspection of metallic structures such as oil rigs and platforms, jetties, dock gates and ships' hulls. It is used to identify weakening of structures caused by corrosion and erosion in the hostile underwater environment.

The first production instrument was purchased by the Falmouth company, Prodive. It is used on the company's underwater non-destructive-testing courses which are designed to teach divers a complete range of underwater inspection procedures for monitoring the effects of general corrosion and erosion. It is also used for demonstrating a method for testing the soundness of the air gap between two plates which are joined by an all-round weld, as used for Monel cladding on offshore structures.

Seaprobe is also being used by Plymouth Ocean Projects at the Fort Bovisand Underwater Centre for both teaching and contract inspection. Again, the instrument has been selected because it is a new concept in underwater inspection techniques and is simple to operate. It is used during the company's various underwater NDT courses to train divers with varying degrees of inspection experience. Contract inspection includes monitoring the thickness of ships' hulls during certification for a new owner and the ability to do this under water avoids the need for a dry berth.

Baugh and Weedon, Widemarsh Street, Hereford. 0432 67671.


There's nothing like it under the sound barrier.
B

APPOINTMENTS

EMA

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Involved in the complete spectrum of international taxation the Tax Manager will manage a department of 6 and report to the European Financial Controller. Developing systems for the review and maintenance of compliance requirements throughout the region, it is envisaged that the Tax Manager will spend 80% of his or her time on tax planning and the application of tax schemes to commercial problems.

A substantial division of a major US group, our client provides a variety of services to the oil industry. Turning over £60 million throughout Europe, this highly profitable division is expanding rapidly. Aged 28-35, applicants should be chartered accountants with broad international taxation experience gained in the profession or industry. Please telephone or write to David Hogg FCA quoting reference I/1833.

EMA Management Personnel Ltd.
Burne House, 88/89 High Holborn, London, WC1V 6LR
Telephone: 01-242 7773

Construction Director
Technical Development Director

Salary up to £12,000 p.a. (subject to review)

Welsh Development Agency

The Agency has a substantial programme of civil engineering and industrial building — currently £47 million on site and £22 million on the drawing board. It is reorganising its Construction Department and creating two new senior posts to manage this programme. Each post holder will report to the Executive Director in charge of the Construction & Development Division, but under him will be fully reponsible for his/her department.

The **Construction Director** will be responsible for the planning and execution of the Agency's construction projects. He/she will organise and oversee the system of project management with teams handling particular schemes. He/she will also have oversight of a new Quantity Surveying Branch. A senior professional qualification along with experience in the control of large building projects will be essential.

The **Technical Development Director** will be responsible for the provision of in-house design services for a proportion of projects and for advising on the appointment of out-house consultants for the balance. Reporting to him/her will be the Agency's architects, mechanical and electrical engineers and civil and structural engineers. A senior professional qualification in one of these disciplines and a wide experience of the other disciplines are essential.

Salary will be in the range £9,000 to £12,000 p.a. but this is subject to review.

The Agency has a contributory pension scheme and generous assistance will be given with relocation expenses. Annual leave entitlement will be 6 weeks.

Please write or phone for an application form, to be completed and returned by 27th April 1979.

Personnel Department (Ref 472FT), Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan, CF37 5UT. Tel: Treforest (044 385) 2666, Ext 262.

Chief Quantity Surveyor

Salary up to £9,195 p.a.

Welsh Development Agency

The Agency is creating a new branch in its Construction & Development Division to deal with all aspects of quantity surveying. To head this section it seeks a well qualified quantity surveyor with good experience of industrial building and industrial estate development.

The post holder will be expected to help set up the branch in the form of a small team which will handle part of the Agency's large programme of industrial building. He/she will be responsible for systems and procedures over the whole range of estimating and measurement and will advise on the appointment of out-house consultants. A senior professional qualification in quantity surveying and senior experience in the industrial building and civil engineering field are essential requirements.

The Agency has a contributory pension scheme and generous assistance will be given with relocation expenses. Annual leave entitlement will be 6 weeks.

Please write or telephone for an application form, to be completed and returned by 27th April 1979.

Personnel Department (Ref 471FT), Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan, CF37 5UT. Tel: Treforest (044 385) 2666, Ext 262.

An overseas division of a major International group in fast moving consumer products requires an

Assistant Finance Director

Salary circa £10,000 + Car

This exciting opportunity occurs because of reorganisation designed to strengthen the divisional management.

An ambitious chartered accountant is needed to assist the divisions Finance Director in the control of six overseas markets.

This senior appointment demands an accountant aged about 30 with 2 years' commercial experience preferably in an international environment.

The successful candidate must be able to work independently and to deputise for the Finance Director whenever necessary. Substantial overseas travel is involved from a London base.

The remuneration package is generous and includes: bonus, pension plan, group life insurance, BUPA and disability insurance all of which are non contributory. There are excellent prospects of advancement within the Group.

London **Age circa 30** **Salary circa £10,000 + car**

Our client wishes to make an early appointment, candidates should therefore ideally make initial contact by telephone quoting PX.

I *Robin R Whalley*
A INTERNATIONAL APPOINTMENTS (LONDON) LTD
L *(Executive Recruitment Consultants)* *Greener House, 66/68 Haymarket, London, SW1.* *Telephone: 01-839 1602/4* *Cables: Interappt, London SW1*

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Up to £13,500+car **(c.30 years)**

Required by a multinational organisation to take over a team dealing with the Financial Administration and Control of certain of the Company's overseas markets, including Africa and the Middle East. The product range of high value non-engineering items is manufactured in the UK and shipped to its professional end-users through agents, distributors and subsidiaries. This is one of several company ranges and has a growing turnover in these markets in excess of £10M.

Candidates must be qualified accountants who have had some auditing experience but who are business orientated and have already had several years with an international group working closely with the marketing and general management functions in a management accounting/systems role. Creativity, the ability to initiate change and the maturity to deal with administrative problems are essential requirements. Based in a pleasant rural town west of London within easy reach of Heathrow, he/she will spend up to 30% of their time initially in travelling the territories. There are excellent fringe benefits plus a challenging opportunity for growth in this highly successful group.

Please reply in confidence to Ref: MA 213, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2E 7DJ.

Robert Marshall Advertising Limited

AMERICAN INTERNATIONAL UNDERWRITERS (LONDON) LTD.

Surety and Fidelity Department

A vacancy has arisen within our organisation for a person who has experience of Performance Bond Underwriting and commensurate skills in Credit Analysis.

It is envisaged that the successful applicant will be under 35 years of age and enjoy working within a small and specialised team. This is a responsible position which offers the opportunity to utilise and develop skills with both clients and brokers at senior levels.

Salary will depend upon experience and the Company offers the usual fringe benefits.
Initial applications in writing, please to:

Ms J. T. Lowe
Personnel Officer
American International Underwriters (London) Ltd.
120 Fenchurch Street
London EC3

Hong Kong Opportunity for French Speaking Banker

We would like to hear from young bankers — preferably French or thoroughly fluent in French with ability and experience to set up and supervise the Hong Kong Branch of an important Banque d'Affaires.

Salary requirement is not likely to be a limiting factor. Preferred age early 30s.

Please contact Miss Montagu for appointment at Clive & Stokes Ltd., 14 Bolton Street, London W.1. 01-493 2283.

Clive & Stokes Ltd.
Appointments & Personnel Consultants

DIRECTOR-DESIGNATE

Applications are invited for the post of *Director-Designate* of the North Staffordshire Chamber of Commerce and Industry to take up office early in 1980.

Duties are varied and cover responsibility in particular for
— commercial services to member firms,
— servicing committees,
— organising trade missions to export markets involving some overseas travel,
— organising seminars and conferences.

The post calls for sound judgement and an ability to use the written and spoken word with precision and authority.

The successful candidate is unlikely to be under 35.

Applications which will be treated in confidence should be sent to the Director, North Staffordshire Chamber of Commerce and Industry, Winton House, Stoke Road, Shelton, Stoke-on-Trent, ST4 2RL.

Closing date: 1 June 1979.

CONSULTANT/INTERVIEWER

We require for our expanding City office a Consultant/Interviewer with Banking and Personnel experience, age 25 plus, starting salary £4,500 plus bonuses, incentive scheme and four weeks holiday.

LJC Banking Appointments
283 9958

TECHNICAL DIRECTOR DESIGNATE

required for manufacturing company, situated on the beautiful island of Anglesey, North Wales. Must have first-class degree in mechanical engineering, and at least five years' production engineering background covering mass production methods. Should also preferably have some experience of running a tool room. Commencing salary to be negotiated but will not be less than £8,000 a year plus new company car. Assistance with removal and housing is available. Applications in the strictest confidence, marked The Chairman, and addressed to PAK-A-LADDER LTD., No. 1 Advanced Factory, Gaerwen, Anglesey, Gwynedd.

QS BANKING RECRUITMENT CONSULTANTS

FX Dealer (Bahrain)	$22,000
Credit Manager	to £9,000
Unit Trust Representatives	to £8,000
ACAs	c £7,500
MBAs	£7,000

We should also like to hear from Clearing Bankers wishing to develop their careers, also secretarial staff at all levels.

Please contact:
Mike Pope or Sheila Anketell-Jones
236-0731
30/31, Queen Street, EC4.

AGRI ECONOMIST (South Asia)

This is an exciting and challenging opportunity for a qualified agri-economist to join a major British Trading Company as a key member of an overseas project team for a period of 3 years.

The task is to assist and advise the tea industry of a South Asian country at Government level on the measures needed to revitalise their industry. Accountability will be to the Project Team Leader. The person selected will require to work harmoniously in a small team. A good degree in agri-economics and practical experience in financial *projection* are essential. Preference will be given to a person who has had previous experience in similar fields in the developing countries.

This is an accompanied status appointment carrying a generous tax free salary. The post also offers fully furnished accommodation, annual paid leave with passages, assistance with boarding education, health insurance, medical care and a gratuity.

Location South Asia **Age 30-45** **Salary Circa £15,000**

Applications quoting MS should reach me as soon as possible, as our client wishes to make an early appointment. In event of postal delay please apply by telephone.

I *Martin Gwinner*
A INTERNATIONAL APPOINTMENTS (LONDON) LTD
L *(Executive Recruitment Consultants)* *Greener House, 66/68 Haymarket, London, SW1.* *Telephone: 01-839 1602/4* *Cables: Interappt, London SW1*

Head of Financial Analysis

aged 28-33

Bank of America, the world's leading international bank, is seeking a qualified accountant to augment the operations management of its London Branch. With a total staff of nearly 400, the London Branch of Bank of America is a major bank in its own right.

The bank is presently up-grading its management information systems in order to maximise the use of existing resources and data bases. Reporting to the Financial Controller of the London Branch, the Head of Financial Analysis will manage a staff to spearhead the up-grading effort and provide on-line analysis and accounting services for senior operating management.

The ideal candidate will be a qualified member of one of the accounting bodies, and will have in-depth line experience of the application of accounting principles, probably gained in a large multi-national organisation. A high level of interpersonal skills, together with clarity of expression, written and oral, will be a *prerequisite for success in the post.*

The salary will reflect the importance of this position within the Branch. Other benefits are in line with best banking practice, and include favourable mortgage and other loan facilities.

Applications from suitably qualified candidates who can demonstrate how they meet the job requirements should be addressed to:

Warwick Womack,
Head of Personnel,
London Branch,
Bank of America N.T. and S.A.,
25 Cannon Street,
London EC4P 4HN.

BANK OF AMERICA

Senior Marketing Opportunity in Leasing and Asset Financing

Chemco International Leasing Inc., a subsidiary of Chemical Bank, is one of the largest international asset financing groups in the world.

Due to a major relocation to the Far East of one of our senior UK marketing staff an outstanding opportunity exists for a marketing executive based in London.

The successful candidate, male or female, will report direct to the *Managing Director and must be highly motivated and work* with the minimum of supervision. You should have wide experience of the middle to big ticket market so that you can make an immediate contribution.

You should be numerate with a sound knowledge of lease purchase, conditional sale, tax leverage leasing, vendor programmes and other complex areas of UK financing techniques plus the ability to cope with documentation and corporate analysis.

This challenging position calls for the ability to work in a very sophisticated environment, where you will be expected to negotiate at the highest level with UK and multi-national customers. An above average salary is offered, plus all the usual benefits associated with a senior post in a major international financial institution.

Please write enclosing a CV to the Managing Director, Mr Richard Holloway, Chemco Equipment Finance Limited, 85-87 Jermyn Street, London SW1Y 6JD.

CHEMCO INTERNATIONAL LEASING, INC.

Williams Lea

Financial printers in the City seek a

Senior Salesman
(Male/Female)

This is an opportunity for a Salesman with printing and City knowledge to join the company at a time when we plan to expand rapidly.

Ideally, candidates will already possess a record of sales success in Financial Print but we are just as interested in applications from people with a knowledge of the City Market who, given training, can sell.

We offer a high basic salary, staff bonus, pension scheme and company car, together with an opportunity to develop a career in a *professional,* fast-moving sales environment with the potential for personal progression.

Apply to E. Walsh Sales Director Telephone 01-247 4366 or write

Suitably qualified people should ring or write to E. Walsh at Williams Lea & Co. Ltd., Clifton House, Worship Street, London EC2A 2EJ. Tel. 01 247 4366.

Williams Lea

هكذا من الأصل

TSB

Deputy Chief General Manager

Trustee Savings Banks — **From £25,000**

The Trustee Savings Banks Central Board, which monitors and directs the operations of the eighteen regional T.S.Bs and five related subsidiary companies, wishes to appoint a Deputy Chief General Manager who will join the organisation at a formative stage and play a key part in the development of the Board's activities. The role is wide ranging and calls for an individual with extensive experience, particularly in Banking, at a senior management level. Candidates, male or female, preferably aged around 50, must be able to demonstrate the professional ability and personal stature required. Salary will be negotiable from £25,000 and the usual banking sector benefits will apply. Location: London. Date of taking up appointment: 1st October, 1979.

(PA Personnel Services Ref: GM45/8833/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, Knightsbridge, London SW1X 7LE. Telephone: 01-235 6060. Telex: 27874.

PA

A member of PA International

Manager-Banking

c. £13,500 Tax Free
United Arab Emirates

Our client, a rapidly expanding locally incorporated Commercial Bank, now requires a Manager for a new branch in Abu Dhabi.

The Manager will report directly to Head Office and will have full responsibility for this branch.

Candidates, aged 28-40, should therefore ideally be Associates of the Institute of Bankers and have considerable bank operations experience. Some knowledge of the Middle East, or of working overseas, would clearly be an advantage.

The rewards are exceptional and will include a negotiable salary of around £13,500 tax free, motor car, free married furnished accommodation, six weeks annual leave, air fares each year and free medical treatment.

Please write in confidence, initially with brief details, quoting reference 919 to John Anderson, as Advisor to the company.

John Anderson & Associates

Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

Management Accountant

c. £8,000 + car — **Berkshire**

A leading industrial group, in a growth situation, requires a Management Information Accountant. The duties of this headquarters based appointment include the preparation of monthly management accounts, annual accounts and collation of long term plans. Sophisticated reporting systems provide for the use of initiative and the introduction of new ideas.

He/she will be a qualified accountant whose industrial experience includes a good appreciation of the principles of consolidation. Aged late 20s/early 30s you will be ambitious and capable of meeting the challenging opportunities afforded by our clients who enjoy an enviable reputation as employers. A company car will be provided together with the benefits normally associated with a large public company.

Applications in confidence to Bernard L. Taylor (Ref. 6377)

mh Mervyn Hughes Group

2/3 Cursitor Street, London EC4A 1NE — 01-404 5801

Management Recruitment Consultants

DRI INTERNATIONAL, INC.

THE LEADING ECONOMIC CONSULTING FIRM, IS LOOKING FOR A

CONSULTANT/MARKETING ECONOMIST

FOR ITS FAST-GROWING EUROPEAN OPERATION

He or she is a capable economist who has the commercial drive to help us grow at our historical high rate, the analytical skills to perform the varied activities of modern economic consulting (management presentations, econometric model building, forecasting, programming) and the ability to sell.

The ideal candidate is 28-35 years old, has advanced degrees in economics and business administration, has demonstrated in previous assignments both analytical and entrepreneurial abilities. Fluency in French is important and knowledge of other European languages is an added advantage. Position based in Brussels with substantial international travel.

Very attractive salary, commensurate with experience and skills.

Please write or call: DRI INTERNATIONAL, INC.

Avenue Louise 221 - BTE 5, B1050 Brussels, Belgium. Tel: 02/648 54 45.

Recently-Qualified Accountant

c. £8,000

This is an excellent opportunity for a recently-qualified accountant to broaden his or her financial experience.

Willis Faber is a leading Lloyd's broker operating in world-wide insurance and re-insurance markets. We require an additional person to join the Group Finance Department.

Responsibilities will include: financial and tax planning; overseas companies; special projects.

The successful candidate will be offered a generous remuneration. Please send full c.v. to Peter Childs or ring 01-488 8715.

Willis Faber

International Insurance and Reinsurance Brokers

Willis, Faber & Dumas Ltd.,

Ten, Trinity Square, London EC3P 3AX

and at Lloyd's

IMPORTANT GROUPE DE COURTAGE D'ASSURANCES RECHERCHE

RESPONSABLE DES AFFAIRES ANGLO-SAXONNES

Les candidats âgés de 30 ans, devront être capables d'assumer la gestion et le développement de notre portefeuille international et d'assurer les relations avec notre centre Britannique. Une parfaite maîtrise de la langue française et nécessaire.

Adresser c.v. + photo + prétentions à:
S.G.C.A. Service du Personnel
145 bd. Haussmann
75008 Paris, France.

QS BANKING RECRUITMENT CONSULTANTS

Deputy Chief Dealer

Fast growing overseas bank requires a highly motivated person 27-35, experienced in all aspects of Dealing Room operations, but primarily as FX Dealer. Salary to £14,000.

Please apply:
Mike Pope—236-0731
30/31 Queen Street, EC4

CONSULTANT FOR GREECE. Require technical consultant for erection of a nine floor steel building (total weight 3,500 metric tons) in Northern Greece during summer 1979. Please contact Mr. Minsas or Mr. Lebesais for more details phone (301) 5543081. Telex 2156/3 BIEX GR—Address: BIEX S.A. Mandra Attikisis, Greece.

LEGAL NOTICES

No. 00811 of 1979
FIRST GIRL LIMITED

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above Company by the High Court of Justice was on the 15th day of March 1979, presented to the said Court by T. RICHARD JOHNSON LIMITED and whose Registered Office is situate at 38 Savile Row, London W1X 2EL. The said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, W.C.2, on the 30th day of April 1979, and any Creditor or Contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time appearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any Creditor or Contributory of the said Company requiring such copy on payment of the regulated charge for the same.

MESSRS. LEWIS RUSKIN & CO.,
Lisa House,
36/37 Thames Street,
Windsor, Berkshire, SL4 1PT.
Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention to do so. The notice must state the name and address of the person or, if a firm, the name and address of the firm and must be signed by the person or firm or his or their Solicitor (if any) and must be served or if posted must be sent by post in sufficient time to reach the above named not later than four o'clock in the afternoon of Friday the 27th day of April 1979.

Company No. 1109273
Registered in ENGLAND
In the Matter of The Companies Acts, 1948 to 1976 and in the Matter of
ACKWORTHIE MACHINE TOOLS LIMITED

Registered Office and Business Address: Hartle House, Wellington Road, Ashton under Lyne, Lancashire

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a MEETING of the CREDITORS of the above-named Company will be held at the offices of W. H. CORK GULLY & CO., Guildhall House, 81/87 Gresham Street, London EC2V 7DS., on 2nd May 1979 at 2.30 pm for the purpose mentioned in Section 294 et seq of the said Act.

DATED this 4th day of April 1979.
By Order of the Board,
J. B. HORNER,
Director.

No. 002874 of 1978
In the HIGH COURT OF JUSTICE
Chancery Division.
Re: THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED
and Re: The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 12th day of March 1979 (inter alia) confirming the reduction of the capital of the above-named Company from £10,000,000 to £3,837,361 and the Minute approved by the Court showing with respect to the capital as altered the several Particulars required by the above-named Act were registered by the Registrar of Companies on the 2nd day of April 1979.

DATED the 9th day of April 1979.
LINKLATERS & PAINES,
Solicitors to the Company.

THE COMPANIES ACTS 1948 TO 1976
VERNON WINE COMPANY LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., 3/4 Bentinck Street, London W1A 3BA, on Monday, the 30th day of April 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 6th day of April 1979.
By Order of the Board,
JILL SADLER, Director.

THE COMPANIES ACTS 1948 to 1976
HUSEDGE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of LEONARD CURTIS & CO., situated at 3/4 Bentinck Street, London W1A 3BA on Thursday, the 19th day of April 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 2nd day of April 1979.
By Order of the Board,
H. PLATT, Director.

THE COMPANIES ACTS 1948 to 1976
ELMACRE LIMITED
T/A ROOTS FROM LONDON

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a Meeting of the Creditors of the above-named Company will be held at the offices of LEONARD CURTIS & CO., situated at 3/4 Bentinck Street, London W1A 3BA, on Monday, the 23rd day of April 1979, at 12 o'clock midday, for the purposes mentioned in sections 294 and 295 of the said Act.

Dated this 4th day of April 1979.
By Order of the Board,
M. HATTER, Director.

Bank Appointment

SECTION LEADER—mid 20's—for bullion instructions section of a long established city bank. 3-5 years' experience of F/Ex instructions would suit. House purchase assistance. Good working conditions.

Send career details to:
R. W. H. Lubbock,
Charterhouse Japhet Limited,
1, Paternoster Row, St. Paul's
London, EC4M 7DH.

APPOINTMENTS WANTED

FORMER MANAGING DIRECTOR

aged 39, of International Company, requires position of interest in established firm, or setting up new one, in any rural area, though preferably East Anglia. Write Box A.6738, Financial Times, 10, Cannon Street, EC4P 4BY.

TRAVEL

GENEVA, Basle, Zurich and Berne widest range of cheap flights from 4 UK dep. airports. Brochure: CPT Ltd., 01-331 2191. Telex 919378. ATOL 369B.

SENIOR EXECUTIVES

If you are in the job market now—we are here to help. Coutts Careers provide:—

- Excellent job search assistance.
- A thorough knowledge of the job market.
- Contact with top recruitment.
- Confidential and expert counselling.
- Superb Secretarial back up.

Telephone now for a cost free assessment meeting.

Percy **COUTTS** & Co.
01-839 2271
140 Grand Buildings
Trafalgar Square,
London WC2.

THE CITY UNIVERSITY

ESMEE FAIRBAIRN CHAIR OF FINANCE & INVESTMENT

Applications are invited for the new Chair which has been established in The City University Business School by the generosity of the Esmee Fairbairn Trust. The holder of the Chair will be Head of the Finance Division of the School and will be responsible for research and teaching in finance and investment.

The salary will be in the range for professorial posts and there will be a London Allowance of £502 per annum.

Further particulars may be obtained from the Academic Registrar, The City University, Northampton Square, London EC1V 0HB. The closing date for applications is 10 May, 1979.

Please quote reference: F.

CONFERENCES

TRANSPORT CONFERENCE
Amman, Jordan
May 12, 13, 14, 1979

Speakers from all over the world and Senior Officials to discuss transportation in the Arab States.

Full details:
Confex (International Shipping & Conferences) Ltd.,
4, New Burlington Street,
London, W1X 1FE.
Tel: 01-437 9545/6/7.
Telex: 28156.

PUBLIC NOTICES

ROCHDALE METROPOLITAN BOROUGH COUNCIL BILLS
£2,900,00 bills issued 11 April, 1979 maturing 11-7-79 at 11¼% and 11 17-64ths%. Applications totalled £24,200,00 and there are £2,900,000 bills outstanding.

CENTRAL REGIONAL COUNCIL £4m issued 11th April, 1979. Due 11th July, 1979 at 11¼%. Total applications 24.5m. No other bills outstanding.

MIDDLESBROUGH BOROUGH COUNCIL BILLS
£600,000 bls. issued 11.4.79 maturing 11.7.79 at 11¼%. Applic. tot. £2,400,000 and there are £600,000 bls. outstanding.

METROPOLITAN BOROUGH OF STOCKPORT BILLS
£3,500,000 bls. issued 11.4.79 maturing 11.7.79 at AT av. rate of 11.2455%. Applic. tot. £33,000,000 and there are £4,500,000 bls. outstanding.

GLOUCESTERSHIRE COUNTY COUNCIL BILLS
£2,500,000 bls. issued 11.4.79 maturing 11.7.79 at 11¼%. Applic. tot. £17,500,000 and there are £2,500,000 bls. outstanding.

CITY OF SHEFFIELD BILLS
£8,300,000 bls. issued 11.4.79 maturing 11.7.79 at 11¼% and there are £8,300,000 bls. outstanding.

COUNTY OF CLEVELAND
£17m 91 day bill issued 11.4.79 to 11.7.79 at average rate of 11.507. Applications totalled £20.5m. No other bills outstanding.

BIRMINGHAM COUNCIL BILLS
The ninety-one day Bills were issued on the 2th April, 1979 maturing on the 12th July, 1979. Applications totalled £7[illegible]m.
The minimum accepted price was £97.20.
The average rate of discount was £11.3308%.
The total Bills outstanding is £21m.

INVESTIGATION BY THE MONOPOLIES AND MERGERS COMMISSION
PROPOSED ACQUISITION BY FMC CORPORATION OF ALGINATE INDUSTRIES LIMITED

On 29th March 1979 Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, referred to the Monopolies and Mergers Commission for investigation and report, under the provisions of the Fair Trading Act 1973 the proposed acquisition by FMC Corporation of Alginate Industries Ltd. The Commission is being required to make its report by 25 July 1979.

Any person or organisation wishing to give information or views on this proposed acquisition should write as soon as possible to:

The Secretary,
Monopolies and Mergers Commission,
New Court,
48 Carey Street
London, WC2A 2JT.

The Commission are also required to report by 25 July 1979 on the previously announced proposal by Merck & Co. Inc. to acquire Alginate Industries Ltd.

CONTRACTS AND TENDERS

EXPLORATION RIGHTS SILICA SAND

Offers are invited for the right to prospect for and to assess the quality of silica sand deposits in north-west Fife.

For Particulars, Heads of Terms for Agreement, etc., apply to Forestry Commission, East (Scotland) Conservancy, 6, Queen's Gate, Aberdeen, AB9 2NQ.

FINANCIAL TIMES
LEAD & ZINC
JUNE 22, 1979

The Financial Times proposes to publish a Survey on Lead and Zinc.

For information and details about advertising rates please contact:

Meyrick Simmonds
Financial Times
Bracken House, 10 Cannon Street,
London EC4P 4BY
Tel: 01-248 8000 Ext 7180

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

F/X & Treasury

Corporate Development

Our Client is a prominent and highly-regarded International Merchant Bank enjoying an excellent reputation for the quality and efficiency of its foreign exchange and money market activity.

The bank's current plans call for an executive to assume responsibility for *the development of foreign exchange and treasury activities* with its corporate clients. Ideal candidates will be in their late 20's and possess strong dealing experience and a keen awareness of the underlying influences affecting the international markets.

This is a challenging and developing career opportunity which carries a five figure salary and attractive benefits to match the significance of the appointment.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone 01 248 3812 3 4 5

COMPANY NOTICES

TO THE HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS FOR COMMON STOCK OF

TRIO KENWOOD CORPORATION

(Formerly Trio Electronics Inc.)
DESIGNATED COUPON NO. 36
(Action required on or prior to 30th June, 1979)**

Chemical Bank, as Depositary (the "Depositary") under the Deposit Agreement dated as of May 1st, 1970, among Trio Kenwood Corp. (the "Company"), the Depositary and the holders of European Depositary Receipts (the "Receipts") issued thereunder in respect of shares of Common Stock, par value 50 Yen per share, of the Company (the "Common Stock"). HEREBY GIVES NOTICE that at the general meeting of stockholders of the Company held in Tokyo, Japan, on 19th February, 1979, such stockholders approved the payment of a dividend of 4.5 Yen per share of Common Stock.*

The Dividend on the shares of Common Stock of record on Deposit with the Custodian under such Deposit Agreement, less a portion thereof withheld by the Company on account of Japanese Taxes, has been received by the Custodian, as agent for the Depositary, and, pursuant to the provisions of such Deposit Agreement, has been converted into United States Dollars at the rate of 201.5999 Yen per United States Dollar.

The Depositary has been advised by the Company that Japan is party to international agreements with Australia, Belgium, Canada, Denmark, France, the Federal Republic of Germany, Malaya, Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the Republic of Korea, the United Arab Republic, the United Kingdom and the United States of America under which certain persons are entitled to a 15% tax withholding rate on dividends such as the dividend in question. The persons so entitled include residents of such countries and companies organised thereunder meeting certain conditions relating to the carrying on of trade or business in Japan. Persons not so entitled to a 15% tax withholding will be paid a dividend on which a 20% tax withholding rate has been applied.**

To determine entitlement to the lesser tax withholding rate of 15%, it is necessary that the surrender of Coupon No. 36 be accompanied by a properly completed and signed certificate (copies of the form of which are obtainable at the office of the Depositary in London or any Subdepositary) as to the residency and trade or business activities in Japan (if applicable) of the holder of Coupon No. 36. Such certificates may be forwarded by the Depositary to the Company upon its request.

Payment in United States Dollars of the amount of the dividend payable will be made at the office of the Depositary in London or at the office of any Subdepositary listed below, upon the surrender of coupon No. 36.

SUB-DEPOSITARIES

NAME	ADDRESS
Chemical Bank	Frankfurt/Main, Germany.
Banque Internationale a Luxembourg	Luxembourg City, Luxembourg.
Pierson, Heldring & Pierson	Amsterdam, The Netherlands.

The following table sets forth the amounts payable upon presentation of Coupon No. 36 from the various denominations of receipts.

Coupon No. 36 detached from Receipts in the denomination of:	Dividend payable (less 15% Japanese withholding tax)	Dividend payable (less 20% Japanese withholding tax)
1 Depositary Share	$ 0.19	$ 0.17
10 Depositary Shares	$ 1.90	$ 1.78
50 Depositary Shares	$ 9.48	$ 8.92
100 Depositary Shares	$18.97	$17.85

Payment in United States Dollars in respect of Coupon No. 36 will be made by United States Dollar check drawn on, or transfer to a United States Dollar account maintained by the payee with, a bank in New York City.

Dated: 12th April, 1979.

CHEMICAL BANK, as Depositary,
180, Strand
London, WC2.

* 30th November, 1978, has been established as the record date for the determination of the stockholders of the Company entitled to such dividend. All receipts issued in respect of Common Stock not entitled to share in such dividend will be without Coupon No. 36 attached.

** Certain holders of Receipts may be entitled upon the fulfilment of certain conditions to reductions in the withholding tax rate applicable to them. The Depositary will, if in its discretion not unduly burdensome and upon payment of all expenses incurred in connection therewith, take such action as it deems appropriate in the circumstances to assist such holders in availing themselves of such reductions.

Because of Japanese tax requirements applicable to the Company, the Custodian has been asked to remit to the Company, shortly after 30th June, 1979, the excess received by the Custodian over 80% of the dividend payable and allocable to unsurrendered Coupons No. 36.

As a result, persons surrendering Coupon No. 36 after such date will be entitled to receive from the Depositary or any Subdepositary a dividend on which a 20% tax withholding rate has been applied and, if entitled to a 15% tax withholding, will be required (in order to realise such entitlement) to make application to the Company for an additional 5%. Such application may, consistently with the foregoing paragraph, be made through the Depositary.

CLERICAL, MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY

NOTICE IS HEREBY GIVEN that the 155th Annual General Meeting of the CLERICAL, MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY will be held at the Principal Office of the Society, 15 St. James's Square, London SW1Y 4LQ on Wednesday, 9th May 1979 at 2.30 p.m. for the following purposes:

1. To receive the Accounts of the Society for the year ended 31st December 1978 and the Directors' and Auditors' Reports thereon.
2. To re-elect Directors.
3. To re-appoint the Auditors.
4. To authorise the Directors to fix the remuneration of the Auditors.
5. To transact any other ordinary business of an Annual General Meeting.

Any member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Society.

Any instrument appointing a proxy must be deposited at the Principal Office of the Society not less than 48 hours before the time fixed for the Meeting.

By Order of the Board,
H. N. BEETLESTONE, Secretary.

15, St. James's Square,
London, SW1Y 4LQ.
12th April, 1979.

E.B.E.S.
SOCIETES REUNIES D'ENERGIE DU BASSIN DE L'ESCAUT SOCIETE ANONYME

(Incorporated under the laws of the Kingdom of Belgium)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on Monday, 30th April 1979 at 11 a.m., at the Registered Office of the Company, 271 Chaussee de Malines, Antwerp, Belgium.

BUSINESS

1. To receive the Reports of the Board of Directors, the "College des Commissaires," and the Company Auditor.
2. To approve the Balance Sheet, Profit and Loss Account and the appropriation of Profits, for the year ended 31st December 1978.
3. To give discharge to the Directors and "Commissaires."
4. To elect Directors and "Commissaires."

NOTE.—Holders of Share Warrants entitled and wishing to attend or be represented at the meeting should deposit a certificate of their holding from an Authorised Depositary, at least five business days before the day fixed for the meeting, at Banque Belge Limited, 4 Bishopsgate, London, EC2N 4AD. Thereupon an admission card will be issued.

BANCO CENTRAL DE RESERVA DE EL SALVADOR
US$ 25,000,000
Floating Rate 1978/83

The rate of interest applicable for the six months period beginning on 12th April, 1979, and set by the reference Agent is 12¼% annually.

NOTICE TO HOLDERS OF BEARER DEPOSITARY RECEIPTS (BDRs) IN DAI NIPPON PRINTING CO. LTD.

We are pleased to confirm that copies of the Semi-annual Consolidated Financial Statements for the six-month period ended November 30, 1978 of Dai Nippon Printing Co. Ltd. and Consolidated Subsidiaries are now available to BDR Holders upon application to the following conversion agents:

Citibank branches in:

London	Frankfurt
Brussels	Amsterdam
Paris	Milan

and in Luxembourg:
Banque General du Luxembourg

CITIBANK N.A.
as Depositary

April, 1979.

UNION CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON No. 129

HOLDERS OF SHARE WARRANTS TO BEARER are hereby informed that Dividend No. 124, being the final dividend for the year ended 31st December 1978 of 32 cents Republic of South Africa currency per share (equivalent to 18.109176p United Kingdom currency per share) will be payable at the office of the London Secretaries of the Corporation on and after 2nd May 1979 on surrender of Coupon No. 129.

Listing forms may be obtained and coupons lodged at any of the following places:

In London:
At the office of the London Secretaries of the Corporation (1 Basinghall Street (3rd Floor), London, EC2 entrance).

In Paris:
At Lloyds Bank International (France) Limited,
or
Banque de l'Indochine et de Suez.

In Switzerland:
At Credit Suisse, Zurich
or
Swiss Bank Corporation, Basle,
or at any of their branches.

Coupons lodged at the London Secretaries Office must be left four clear business days for examination and may be deposited on or after 3rd April 1979 between the hours of 11.00 a.m. and 3.00 p.m. (Saturdays excepted).

South African Non-Resident shareholders' Tax of 15% having been imposed on that proportion of the dividend declared deemed to be payable out of the profits earned in South Africa, the effective rate for this dividend is 14.97%. This tax will be deducted irrespective of the domicile of the person surrendering the coupon.

The gross amount of the dividend to be included in any return for United Kingdom Income Tax purposes is 18.109176p indicated below:

	per 6.25 cents share
United Kingdom currency equivalent of Dividend as declared	18.109176p
South African Non-Resident Shareholders' Tax at 14.97%	2.710944p
	15.398232p
United Kingdom Income Tax at 18.03% on the gross amount of the Dividend of 18.109176p	3.265084p
Net amount	12.133148p

per pro. UNION CORPORATION (U.K.) LIMITED
London Secretaries
L. W. Humphries.

Princes House,
95 Gresham Street,
London, EC2V 7BS.
12th April, 1979.

NOTE.—Under the double tax agreement between the United Kingdom and the Republic of South Africa, South African tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 18.03% instead of at the standard rate of 33% represents an allowance of credit at the rate of 14.97%, the rate of overseas taxation applicable.

SANDVIK AKTIEBOLAG

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SANDVIK AKTIEBOLAG will be held in the Coromant Office on Mossvägen in Sandviken on Friday, May 11, 1979 at 12 noon. A bus will leave the Head Office at 11.45 a.m.

At the Meeting matters stipulated in the Swedish Companies Act and the Articles of Association shall be considered.

Shareholders wishing to attend the Meeting must notify the Board thereof (by telephone 026-26 40 10) not later than Monday, May 7, 1979. In order to qualify for attendance, shareholders must also have been entered in the Share Register kept by the Securities Register Centre (Värdepapperscentralen, VPC) not later than Monday, April 30, 1979. A shareholder who has had his shares registered as held in trust by a nominee such as a bank's trustee and securities department or a private stockbroker ("förvaltarregistrering") must have them temporarily re-registered in his own name not later than April 30, 1979.

Shareholders are entitled to vote by proxy at the Meeting. Such a proxy shall be written and dated. Nobody, shareholder nor representative, may vote for more than one-fourth of the total number of shares represented at the Meeting.

May 15, 1979, will be proposed as the "record day" ("avstämningsdag") establishing the right to dividend. If this proposal is adopted by the Meeting it is expected that dividends will be remitted on May 22, 1979. Dividends will be sent to those who on the record day are entered in the Share Register or the separate List of Assignees, etc.

SANDVIK AKTIEBOLAG
The Board of Directors

THE BANK OF YOKOHAMA LTD. LONDON

NEGOTIABLE FLOATING RATE U.S. DOLLAR CERTIFICATES OF DEPOSIT MATURING IN 18/24/36 MONTHS, FROM 12th APRIL, 1978

In accordance with the provisions of the Certificates of Deposit, notice is hereby given that for the six-month interest period from 12th April, 1979 to 12th October, 1979, the Certificates will carry an Interest Rate of 11¼% per annum.

Agent Bank
CITIBANK, N.A.
London

12th April, 1979

ALBERT HERBERT LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books and the Register of Debenture Holders of the 7¼% Debenture Stock 1987-92, of the Company will be closed from Thursday 19th April 1979 to Friday 20th April 1979 both dates inclusive.

By order of the Board,
J. D. Ellson,
Secretary.

CONTRACTS AND TENDERS

STATE OF QATAR

MINISTRY OF INDUSTRY AND AGRICULTURE
QATAR GENERAL POULTRY EST.
ANNOUNCEMENT

The Qatar General Poultry Establishment announces its desire to receive bids for a feasibility study to expand its enterprise. It should be understood that:

1. Bids should be submitted to: Qatar General Poultry Establishment, P.O. Box No. 3606, Doha—Qatar.
2. Bids should be submitted in sealed envelopes.
3. Bids should be submitted within sixty days commencing the day of announcing.
4. A Guarantee amounting to 5% of the value of the bid must be attached and to be brought up to 10% at the time of contracting.
5. Technical specifications and financial conditions could be obtained from:

Qatar General Poultry Establishment,
P.O. Box No. 3606,
Doha — Qatar,
ARABIAN GULF.

APPOINTMENTS

Deputy managing director for Selection Trust

Mr. L. A. Cook has been appointed deputy managing director of SELECTION TRUST. He joined the company in 1943 and was appointed to the Board in 1971, having previously been secretary and later manager. As a director his responsibilities have been primarily concerned with group finance.

★

Mr. P. J. S. F. Kenney has been elected to the Board of FANE STEVENSON AND COMPANY.

★

Mr. David R. Stevens has been appointed chairman of DUALVEST, which is managed by Drayton Montague Portfolio Management. Mr. Stevens has also become chairman of TRIPLEVEST and Mr. John R. Storar has joined the Boards chairman of CITY AND COMMERCIAL INVESTMENT TRUST and of FUNDINVEST, three companies jointly managed by Drayton Montague and J. Henry Shcroder Wagg and Co. In addition, Mr. Stevens takes over as chairman of Montagu Boston Investment Trust, jointly managed by Drayton Montague and the First National Bank of Boston. Mr. Rudolf P. J. Bleichroeder has retired as chairman of Dualvest, Triplevest, City and Commercial and Fundinvest but remains a director of those companies.

★

Mr. T. P. Aitken is to succeed Mr. F. M. Gill as chairman of GILL AND DUFFUS GROUP on June 6, and Mr. R. E. Blackman will become deputy chairman from that date. Mr. Gill will remain on the Board.

★

Mr. J. F. Floyd has become production director, UK operations, of the GOODYEAR TYRE AND RUBBER COMPANY to succeed Mr. J. R. Burley, who is taking up an appointment in the Philippines. Mr. Floyd will be based at Wolverhampton.

★

Mr. J. G. Charles White, senior partner of Baillie Gifford and Co., has been appointed an additional director of EQUITY CONSORT INVESTMENT TRUST and of its subsidiary ECIT FINANCE.

★

Mr. Jurgen Emmler has become financial director and acting managing director of NEFF (UK) following the appointment of the managing director Mr. E. U. Hanneck to managing director of NEFF (FRANCE).

★

Mr. Brian Percival has been appointed a director of SALTER PRECISION PRESSWORK, a member of Staveley Industries.

★

Mr. Colin Barker has been appointed group general manager of the Consumer Electronics Appliances Group of ITT EUROPE INC., in Brussels. He was previously director, marine and submarine systems of Standard Telephones and Cables (STC).

★

Mr. J. P. Knight has been elected president of the BRADFORD AND BINGLEY BUILDING SOCIETY in place of Mr. Norman H. Shaw, who remains a director. Sir Richard Denby has become vice-president.

★

Mr. Michael W. J. Reid has been appointed to the new post of controller of finance with the INDEPENDENT BROADCASTING AUTHORITY. For the past seven years Mr. Reid has been director of a group of contracting companies within the Babcock and Wilcox Group. Mr. Roy Downham is IBA director of finance.

★

Mr. Gordon Scott has been appointed a non-executive director of the CONSOLIDATED MARINE AND GENERAL INSURANCE COMPANY.

★

Mr. M. J. Cassidy and Mr. F. J. L. Clark have been elected directors of CANNON ASSURANCE. Mr. B. N. Rowe has been made deputy actuary.

★

Mr. T. P. Flanagan has been appointed managing director of SIRA INSTITUTE from May 1 in succession to Mr. S. S. Carlisle, who retires after 15 years as chief executive of the Institute.

★

Mr. J. Rankin and Mr. J. A. Sykes, directors of YORKSHIRE CHEMICALS, have left the company as part of a re-organisation of senior management. Mr. J. F. Dawson has been appointed research and development director, and Mr. R. D. Beanlands is now designated production director.

★

Mr. Grant M. Lockhart has been appointed managing director of CARBODIES, a subsidiary of Manganese Bronze Holdings, in succession to Mr. W. T. Lucas, who has retired because of ill-health.

★

Mr. Philippe Lacamp has been appointed a director of ALLDERS LIMITED. He is head of systems for Allders Department Stores which is a division of the UDS Group.

★

The Secretary for Trade has appointed Mr. P. A. Taylor, general manager, Royal London Insurance Society, and Mrs. Muriel Turner, assistant general secretary, Association of Scientific, Technical and Managerial Staffs, to his panel of insurance advisers for three years. Mr. I. R. Binney, Mr. R. J. Kiln, Mr. E. J. Turner, Mr. M. A. Weinberg, Mr. G. L. Williams and Mr. J. Williamson have been reappointed members of the panel.

★

Mr. Kenneth Lasky has been appointed group managing director of AUDIOTRONIC HOLDINGS in place of Mr. Dan Sullivan, who will become deputy chairman and concentrate on corporate expansion. Mr. Lasky was formerly managing director of the groups wholesale distribution. Mr. David Harris is now managing director of the wholesale distribution division.

★

Comte Aymar de Lastours has been appointed a director of the MORGAN CRUCIBLE COMPANY. He is senior international executive of Pechiney Ugine Kuhlmann SA.

★

Mr. Terry Clarke has been appointed area director at the West End (West) area office of NATIONAL WESTMINSTER BANK following the retirement of Mr. Bob Catterall. Mr. Bob Boyd, previously manager at Stanhope Gate Branch, London, succeeds Mr. Clarke as manager of the 208 Piccadilly branch.

★

Mr. C. R. Buckeridge has been appointed chairman of the SHEFFIELD SMELTING COMPANY, which is part of Engelhard Minerals and Chemicals Corporation. Mr. Buckeridge is managing director of Engelhard Industries and chief executive of the Engelhard Industries European Management Group.

IMETAL S.A. (formerly Le Nickel)
9% 1971 - 1986
$US20,000,000.—

Notice is hereby given that the sixth redemption instalment of above bonds amounting to $US1,500,000.—nominal, due on May 15th, 1979, has been partially effected by repurchase in the market of $US1,004,000.— and partially by drawing by lot of the remaining amount of $US496,000.— As a result of such drawing by lot which took place on March 30th, 1979, in the presence of a notary public, the following bonds have been drawn for redemption at par on and after May 15th, 1979:

1196 to 1212 inclusive
1241 to 1250 inclusive
1252 to 1255 inclusive
1261 to 1276 inclusive
1289 to 1414 inclusive
1418 to 1425 inclusive
1441 to 1485 inclusive
1490 inclusive
1499 to 1508 inclusive
1513 to 1560 inclusive
1563 to 1568 inclusive
1581 to 1583 inclusive
1596 to 1600 inclusive
1614 to 1617 inclusive
1628 to 1642 inclusive
1693 to 1700 inclusive
1703 to 1722 inclusive
1734 to 1736 inclusive
1752 to 1753 inclusive
1768 to 1802 inclusive
1814 to 1820 inclusive
1823 inclusive
1825 to 1865 inclusive
1870 to 1932 inclusive

The bonds so called for redemption have to be presented for payment all unmatured coupons attached thereto.

Amount unamortized: $US16,500,000.—

Outstanding bond drawn in 1974 and not yet presented for payment: Nr. 13,532.—

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme
Fiscal Agent
Luxembourg, April 12th, 1979.

BUSINESS MANAGEMENT COURSES

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The course is led by Professor Gordon Wills, director of several business organisations in engineering, communications and publishing, and Malcolm McDonald, Senior Teaching Fellow in International Marketing and former Marketing Director of Canada Dry UK.

Programme dates (1 week) are 21-25 May, 1979. *The cost £475 includes all fees, accommodation and materials.*

Enquiries to the Administrative Officer, Marketing for Accountants and Financial Managers (quoting ref. CS280).

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THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

McCann: new powerhouse settles in

BY MICHAEL THOMPSON-NOEL

Mrs. Ann Burdus, only the second woman in the world to head a major advertising agency.

ANN BURDUS, *the new chairman* of McCann and Company, says there will be no disruption in the running of what is one of Europe's biggest advert*ising groups following* her sudden promotion to the helm.

Nor does she expect her clients—who between them bill more than £70m via McCann in London—to be sidetracked by the fact that she is only the second woman in the world to hold the top job in a major agency. Her only counterpart is Mary Wells, founder of New York's Wells, Rich, Greene agency. "Our clients hired us for our expertise, not our glamour," *Ms. Burdus said this* week, hours after arriving from New York to hold her first Board meeting as chairman. (It was called at 9 a.m.)

Her predecessor, Nigel Grandfield, resigned late last Wednesday because of policy *differences with the McCann* parent, Interpublic, in New York. Mr. Grandfield has *almost* immediately become chairman of Saatchi and Saatchi International, a newly-formed subsidiary of *the Saatchi group, which is* British-owned.

Saatchi and Saatchi International is intended to act as an autonomous, independent *launching* pad for the Saatchi group's growing international aspirations. Backed by the Compton International network, the new Saatchi subsidiary will handle international assignments for British and foreign clients.

As Mr. Grandfield, together with Ms. Burdus and the new McCann president in London, Barry Day, built McCann's London operation into a £70m business working for multi-national clients like Martini, Nestlé, Levi Strauss, *Rothmans, Van den Berghs* and Esso he is a major catch for Saatchi's.

Speaking from the neutral territory of Claridge's yesterday, he explained his abrupt departure from McCann: "I had been running accounts in *a certain way—not unsuccessfully*, I presume—and conflicts arose with our cousins across *the* water. It has already proved a very refreshing change to get back to the real business of advertising *instead of being buried by the* bureaucracy of a group like Interpublic.

"The Saatchis know how to offer the sort of incentives that get results. The Saatchi and McCann operations in London are directly comparable in terms of professionalism and approach. We talk the same *language*."

After her first Board meet*ing as chairman, Ms. Burdus* said that the fact that she was a woman was only slightly interesting. "All right, it's nice. There were three women at the Board meeting and we exchanged smiles of approval. But the appointment is interesting for more important reasons. It's neither a sudden nor an outside appointment to *the Board.*"

"There have been some changes during my absence, but we were structuring for change. I'm fortunate to be *inheriting* a highly professional organisation, and look forward to handling its next *stage* of development." No wonder women journalists call her a charming powerhouse.

The Price Commission was the target for further criticism for its stance on advertising this week. The lesson may have been unnecessary

A baring of teeth

DR. DUNCAN REEKIE'S excellent report, Advertising and Price, sponsored by the Advertising Association, bound in plum covers and published on Tuesday, looks like accelerating out of the news as quickly as it accelerated in. This is not the author's fault. But considered *in conjunction* with another report published this week, JWT '78, bound in royal blue and published by J. Walter Thompson on Monday, Dr. Reekie's discussion of the relationship between advertising and price may fall on deaf ears, if only because the prime target of many of his criticisms, the Price Commission, appears to *have been subdued. That is to* say that over the past five months the Commission has delivered none of the naive judgments on advertising and its effects that attracted so much abuse last year, writes Michael Thompson-Noel.

A specialist in business economics at Edinburgh University, Dr. Reekie has set out to contrast the views of those who on the one hand allege that *advertising* is a *business cost* outweighing any benefits of scale economies that might ensue as a result of increased consumption, and those who maintain the opposite; between those who claim that advertising fosters entry-protected oligopolies and *those who hold that, on the contrary*, it is a means of market entry that stimulates innovation, advances competition and helps cut prices.

As the report is published by the Advertising Association, it does not require a genius to guess in which direction Dr. Reekie's findings point. With *the help of case studies, he* shows how advertising can "create" markets (domestic washing machines and dried milk powders), maintain markets (chocolate and sugar confectionery) and revive them (gramophone records). He also *shows how his research suggests* that advertising can both facilitate market entry and encourage lower prices, or deter entry and encourage innovation, and demonstrates how advertising stimulates greater price competition at the level of the retailer.

But it is in his concluding chapter that he bares his teeth. Having spent the best part of a year examining a whole series of Price Commission reports he states categorically: "The evidence suggests . . . that the Price Commission are not fully aware of the true meaning of *competition." What's more, he* suggests that all Government price and advertising controls be removed.

"*For economists, as for laymen, competition means rivalry, which means industry entry, potential or actual, and market *share expansion, real or* threatened."

By now, I suspect, several plum-backed copies of Advertising and Price have been hand-delivered to the Price Commission. But there are many signs that the Commission has in any case drawn in its hooks on advertising. Since Christmas, it has issued no rash pronouncements on the art of the persuaders.

Indeed, in J. Walter Thompson's review of 1978, Stephen King, in an expanded version of an earlier FT article, refers *encouragingly to the Price Commission's* report on Lever Brothers as a sign of rationality.

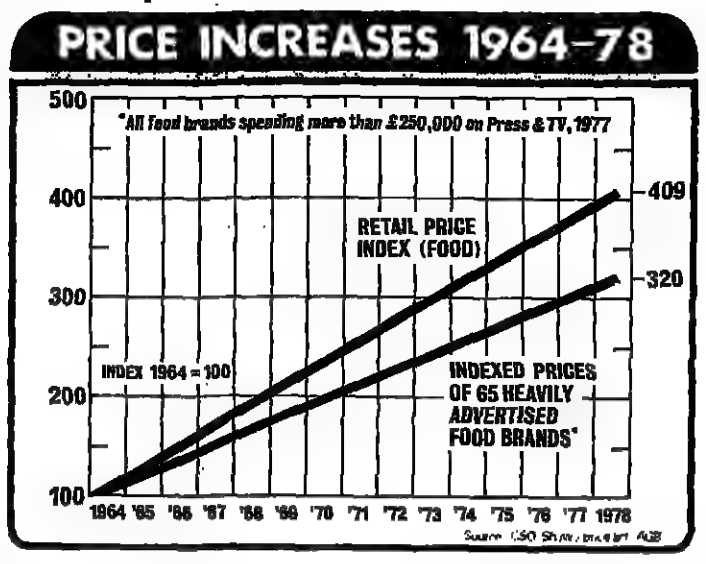
"As we enter the new stop phase," says Mr. King, "I think we'll look back on 1978 as something of a golden year for advertising. Not just because it was a boom year, but because it *could be the start of a more* rational approach in the Official View."

Dr. Reekie's research is by no means wasted. With the Price *Commission choosing its words* more carefully, and Mrs. Thatcher ahead in the polls, the economic benefits of advertising are at present not in dispute.

Unfortunately, the wheel will turn eventually.

Advertising and Price, Dr. Duncan Reekie. The Advertising Association, Abford House, 15, Wilton Road, London, SW1. £8. (01-828 2771.)

PRICE INCREASES 1964–78



Why 140 marketeers redesigned the umbrella

IAIN MURRAY spends a day thinking laterally

PROBLEM: What were 140 top *marketing people doing redesigning* the umbrella, pondering the implications of square wheels, and drawing plans for a dog-exercising machine?

Answer: They were practising their lateral thinking under the tutelage of the technique's garrulous inventor, Dr. Edward *de Bono.*

Senior representatives of organisations such as ICI, Unilever, Cadbury Schweppes, F. W. Woolworth, Saatchi and Saatchi and J. Walter Thompson eagerly sat for a day at the feet of the guru, fervently hoping that he might supply the *key to new ideas, new wealth,* new prospects of promotion, new means of corporate survival. There were even two managers from the Post Office who confided a pressing desire to look at things differently.

If nothing else, A Day with *Edward de Bono, sponsored by* Marketing Week, was a breathtaking experience. Dr. de Bono spoke for 5½ hours and, during breaks for coffee, lunch and tea, could be found expatiating still.

Most of the time he was talking he was also scribbling, and, with the aid of a machine called an overhead projector, lateral thoughts were made to rise vertically before the bemused eyes of the audience: multi-coloured *circles, arrows, blobs and squiggles*, interspersed with the occasional word, passed ever upwards at bewildering speed.

Dr. de Bono explained that he *created* the *term* lateral thinking because its nearest equivalent, "creative thinking," inadequately expressed the concept. He was much gratified that the coinage had been recognised by the compilers of the Oxford Dictionary. "It's even in the Concise edition," he announced.

Lateral thinking is a process by which the skills of logic and judgment may be harnessed to creative invention. Dr. de Bono distinguishes between what he calls first and second stage thinking. Most of our cerebral activity is concentrated on the *second stage, which involves the* use of logic, whereas the first stage concerns perceptions. Lateral thinkers try to generate bright ideas by inducing changes in their perceptions.

To illustrate the point, Dr. de Bono invited his audience to draw designs for a dog-exercising machine. After the permitted amount of shuffling, cigarette lighting, and head scratching, the marketeers pro*duced a variety of notions* including conveyor belts, treadmills, and temptation devices, the latter usually incorporating the use of a bone.

But none, said Dr. de Bono, exhibited the ingenuity of a six-year-old child faced with the same problem. *The infant had* suggested that the dog be harnessed to a trolley bearing an accumulator battery from which projected a live lead. Every time the unfortunate animal stopped, it would receive an electric shock in its rump, spurring it to greater effort.

Instead of thinking of ways *of making the dog exercise, the six-year-old had found a way of* preventing it from stopping. And *that* was a lateral thought.

The essence of producing a lateral thought, he says, is to jolt the brain into working outside its normal tramlines. This is the stepping-stone technique, *involving the use of what* Dr. de Bono calls "po," or provocative operation.

To illustrate po in action, he explained how he had once been asked for his views on the problem of pollution caused by a riverside factory discharging its effluent into the water. "I used the provocative challenge that the factory should be downstream of itself," he said. "That form of stepping stone is what *I call the intermediate* impossible. How can a factory be downstream of itself?"

But by sticking with the impossible and seeing where it led, Dr. de Bono went on to dream up the idea that the factory's water inlet should be downstream of its effluent outlet, forcing it to clean up its own mess. The technique has since become standard practice in almost all East European countries.

By far the easiest way of triggering off a lateral thought happens also to be the most gimmicky; but, says Dr. de Bono, it works surprisingly well. You use a word chosen at random as a stimulus to *unconventional thought. Words* can be found by opening a dictionary and sticking in a pin. Once when he was in Nigeria, said Dr. de Bono, he was presented with a problem concerning a shortage of teachers. There was little point in build*ing training colleges because* there were already too few teachers to go round, let alone staff new institutions.

Dr. de Bono's dictionary fell *open* at the word "tadpole." From that unpromising start he went on to think of tails, and then tailing, and eventually produced the idea that each qualified teacher should be tailed, or constantly accompanied, by two trainees who would learn, like apprentices, on the job. That is now the way things are done in Nigeria.

No doubt the men from the Post Office, not to mention those from ICI and Unilever, were *greatly encouraged to learn* that the answers to their problems lay in the use of a pin. It would be just their luck if their pin landed on that new *and puzzling entry,* "lateral thinking."

Regional Press: call for central promotion

BY ALAN GARTH

A CENTRAL promotional organisation to attract more national advertising to the UK's regional Press is being discussed. It would mean some form of merger between two existing organisations, the Evening Newspaper Advertising Bureau and the Weekly Newspaper Advertising Bureau.

Such a move was urged by a number of speakers at the Newspaper Society conference last weekend.

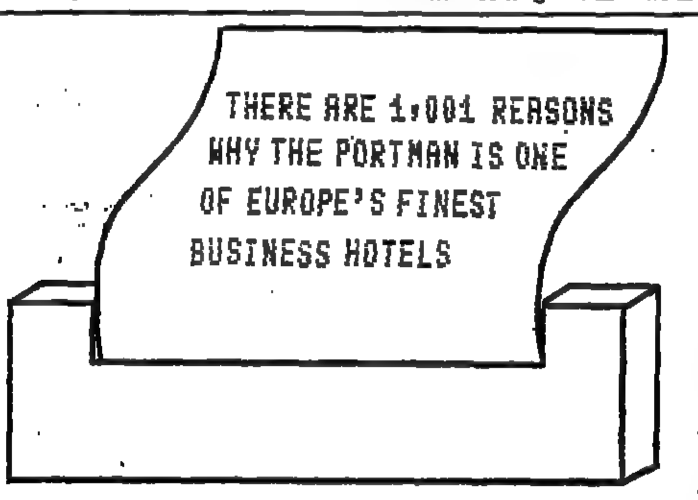
Mr. John Barrons, managing director of Westminster Press, told delegates: "One promotional body would offer one-stop shopping for facts, rates, schedules and any other services."

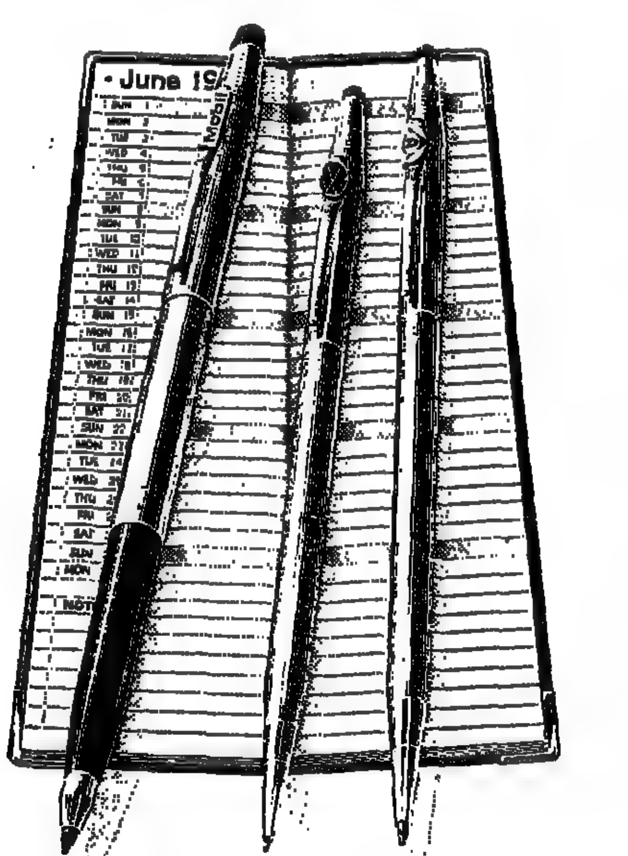
Mr. Barrons said that the regional Press should be working toward a data base, accessible by terminal, which would hold information about newspaper specifications, rates, market details, coverage and basic research.

He estimated that display revenue coming to regional newspapers from outside their own circulation areas now topped £60m a year.

SATRA MOTORS, importers of the Lada car range from the USSR, is launching a £500,000 TV campaign next week, part of its 1979 marketing budget of £1.5m. The agency is *Graham Poulter and Associates.* Over the past four years, new Lada sales in Britain have grown from 5,701 to 17,962 last year—slightly more than one per cent of the new car market.

The new campaign includes Press advertising to support the 160 Lada dealerships.





LOMBARD

Optical illusions and others

BY ANTHONY HARRIS

ONE OF the most fashionable comments on the Conservative proposals in the present election is that their likely strategy for cutting the borrowing requirement, by selling off State assets, is just an optical illusion. What is needed, say these critics, hammering the table, is *real* cuts. Not for the first time, I am driven to reflect that whenever a finance man uses the word "real," you had better read the small print.

The difficulty for financial people is to remember that like Plato's men in a cave, they live in a world of shadows. Real events are perceived only through their financial consequences, but the shadows can be very deceptive. For example, everyone in the City knows that the public sector borrows more and more nearly every year. It comes *as a shock, then,* to realise that in real terms the national debt has been getting smaller and smaller, and has recently touched its lowest level since 1903. City observers swallow hard, mutter something about inflationary distortions, and go on grumbling about excessive borrowing. But if the *borrowing is an illusion in real* terms, then an illusionist may be able to suggest the best way to stop it.

The same

These perceptions are oddly patchy, too. Some of the fund managers who grumble about optical illusions in the public sector also sit on the boards of companies in the private sector. Occasionally these companies take advantage of market conditions to fund high-interest debt—debentures or bank loans—by issuing equity.

Yet in essence the company is doing exactly the same as it is proposed the State should do—issuing equity in place of fixed interest debt. Indeed, the proposal is not even a novelty. It is not very long since a Labour Government sold a few hundred million of BP stock. There was a good deal of chat about optical illusions, but that did not prevent an *annus mirabilis* for gilts. Money talks louder than analysis.

Of course, there is an element of further illusion in this analogy. The state is not a company, and has one privilege which no company enjoys: it prints the money it tries to *borrow back.* You could argue that the relief to financial markets from a lower cost of debt service (equities instead of fixed interest) is itself an illusion. Lower interest payments means less cash in the hands of investors, so that the difficulty of funding is not affected.

This is true in a sense—though it is dangerously double-edged. It is exactly the argument the Treasury used to deploy in defence of whatever level of borrowing resulted from their demand *management* sums. They thought that borrowing money which you print yourself could not create any problems—until experience taught them better. "Crowding out" is apparently impossible—yet we all know it happens.

The explanation seems to lie not in simple-minded ideas of a fixed lump of saving available for borrowing, but in subtler arguments about portfolio balance and the costs of intermediation.

If a manager wants to put half his money in gilts, it is not cost-free to pay him an extra £1bn by way of debt interest and ask him to invest the whole of this increase in gilts. He requires a higher return to persuade him to unbalance his portfolio in *this way. Offer him his preferred* balance, and the problem will disappear. That is why quite a small proportion of equity—BP or Ferranti, British Airways or whatever may be to come—can offer really worthwhile savings in the whole cost of debt service.

This argument may seem to imply that the financial facts of life are Tory, and that it is Labour theology which leads to a vast burden of debt service, high taxes and low growth. This is not so. For four years now I have been trying to persuade a Labour Chancellor to issue some form of national "equity" instead of gilts—indexed stock, or stock denominated in oil or coal values (or even 20-year rail season tickets, which have the same cash-flow advantages). Our sister journal, The Economist, has been urging the same step for much longer. If a Conservative Government is now elected, partly because of Labour's financial problems, and finds the right answer for which Labour would regard as the wrong reasons, Mr. Healey should blame not the Gods, but the advice he has chosen to follow.

Mr. Nelson Bunker Hunt's $2bn case

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

MR. NELSON BUNKER HUNT this week announced that he will escalate up to $2bn his claim against BP which has been dormant in a Dallas court since 1975. He may well have decided to press his claim in order to up a negotiating position from which he could achieve a settlement, wiping out an award of £17m which BP had obtained against him in the High Court in London. But the background of Middle East wars and Libyan nationalisation of oil fields, the colourful personality of the Texan oilman confronted by a professionally managed corporation with worldwide involvement, can all be warmly recommended to television script writers should they ever think of reviving the Mogul series.

Mr. Hunt, said to be one of the world's richest men, has his roots in Houston, Texas. Before embarking on his Libyan venture he had very little experience of oil business outside the U.S. In 1957 he acquired from the Libyan Government an oil concession in the Sarir field, in the heart of the Libyan desert.

Mr. Hunt's resources were not sufficient to start drilling for oil within three years as required by the concession and in 1960 he had to call in BP to help. They concluded a so-called "farm-in" agreement under which a half-share in Mr. Hunt's concession was assigned to BP which undertook to explore and *operate the oilfield including the* construction of a 300-mile (500 km) pipeline and a terminal near Tobruk.

The agreement provided that Mr. Hunt should have a "free-ride," that is that he should receive a share of any oil obtained from the field but would have no liability for the expense of the development if production fell short of expectations and did not recover the money spent on development. After initial disappointments, oil started to flow in 1967 when the Arab-Israeli war led to the closure of the Suez Canal for a number of years. That increased the value of the Libyan oil in the European market.

Sarir proved to be a giant oil field. By early 1971, the rate of production was approaching 450,000 barrels per day. But in December 1971 Colonel Gaddafi, who had overthrown the Government of King Idris, expropriated BP's assets. Expropriation of Mr. Hunt's assets followed in May 1973.

Mr. Hunt was understandably disappointed by the loss of so promising a venture and took it as an added offence when BP asked him to refund some of the benefit obtained from the field, claiming that he had been unjustly enriched by BP's development efforts and expense. BP's claim varied, according to the accounting method used, between U.S.$45m and $230m.

The claim was made under the Law Reform (Frustrated Contracts) Act of 1943. One of the remarkable features of this case is that the judgment which BP obtained against Mr. Hunt was the first decision ever *made under this act which had* been placed on the statute book 35 years ago. The act applies only to contracts governed by English law and Mr. Hunt argued that the contract was governed by the law of Texas or of Libya. But the jurisdictional issue was decided in BP's favour by Mr. Justice Kerr in October 1975.

In the case of a frustrated contract—the present one was terminated by the nationalisation of the oil field—the 1943 Act gives the courts power to award a "just sum" to the party whose contractual performance before frustration provided the other party with a valuable benefit. It was on the basis of this provision that Mr. Justice Robert Goff awarded BP £17m to be paid by Mr. Hunt immediately without waiting for the results of the appeal which he intends ot make.

Simultaneously with proceedings in the Appeal Court in London, Mr. Hunt intends to pursue litigation also in the Dallas Court for the Northern District of Texas. He will claim that BP failed to develop the Sarir field as quickly as was possible and defaulted on its contractual obligation to proceed with "due diligence." His second complaint will be that the actions which BP brought against carriers of oil from its sequestrated concession, claiming the oil to be its own, had damaged Mr. Hunt by preventing him from reaching an arrangement with the Libyan National Oil Company. Finally, Mr. Hunt complains that he was not consulted when BP reached a settlement with the Libyan Government.

Most of this ground was covered with superlative thoroughness in the High Court judgment which the Dallas court will now study. Indeed, the lack-of-due-diligence issue takes up 83 of the 251 pages of the judgment. The greater part of the 15,000 documents presented to the Court in evidence, and most of the witnesses heard, deal with this issue. In the course of the trial, which lasted 57 days, Mr. Hunt's initial pleading that BP had deliberately dragged its feet was reduced to a complaint that although BP had acted reasonably and had committed no *breach of* contract, better results could have been achieved by another operator acting reasonably.

In the end Mr. Justice Goff concluded that doubt about the likely amount of extra oil recoverable, and the likelihood that investment needed further to step up production would eat up all profits, rendered this particular counter claim of Mr. Hunt's wholly irrelevant. Moreover, the agreement gave Mr. Hunt the right, if dissatisfied with BP's progress, to drill additional wells on his own account. But he had chosen not to take that risk.

The second counter claim which Mr. Hunt made in the High Court, and now intends to pursue in Texas, rests on his assertion that the "hot oil" actions which BP took against those who carried oil from its sequestrated oil fields, made it impossible for him to export and distribute oil on behalf of Arab Gulf Exploration Company, the Libyan state owned company which took possession of the BP assets. Mr. Hunt claims that as a result his relations with the Libyan Government deteriorated and his concession was sequestrated too.

However, evidence has been presented in the High Court to show that not only did BP agree that Mr. Hunt might produce from the concession still remaining in his possession oil for export up to 235,000 barrels per day—half of the then declared production rate—but that he was also informing BP of shipments carrying his oil in order to protect these shipments against legal actions which BP might otherwise take.

Mr. Justice Goff concluded that Mr. Hunt had looked after his own interests as best he could in the very difficult situation which had arisen. In refusing to co-operate with the Libyan Government he was motivated by fear that BP might attach all cargoes leaving Tobruk, including his own. He was aware of a legal *obligation* to the oil industry arising from his membership of the so-called "safety-net" agreement between oil majors; and he feared that if he did not honour his moral commitment to BP he might not be able to stay in the international oil business. In looking after his interest in this way, said the judge, Mr. Hunt laid himself open to no criticism; but there was also no evidence that his actions were in any way the result of any representations made by BP.

High Court, Queen's Bench Division. BP Exploration Company (Libya) Ltd. v. Nelson Bunker Hunt, unreported.

Free fixture booklet for racegoers

RACEGOERS ON all southern courses are to receive free a racing fixture booklet in a promotional scheme by the Racecourse Association.

The booklet, Plan Your Southern Race Days Now, will be available at the Easter meetings at Kempton Park, Newton Abbot and Plumpton.

RACING

BY DOMINIC WIGAN

The 19 courses taking part in the scheme are: Ascot, Bath, Brighton, Chepstow, Devon and *Exeter, Epsom, Folkstone,* Fontwell Park, Goodwood, Kempton Park, Lingfield Park, Newbury, Newton Abbot, Plumpton, Salisbury, Sandown Park, Taunton, Wincanton and Windsor.

The booklet lists all the fixtures at Britain's other 41 courses from April until December. There is also a guide to entrance charges and a feature on the benefits of group discounts.

A growing number of companies, clubs and other organisations are taking advantage of big discounts on admission charges. The booklet says that the Racing Information Bureau, whose address and telephone number are included, can be a valuable help in giving details about individual courses.

Two tracks looking forward to profitable meetings over the next few weeks are Chepstow and Lingfield. At Chepstow on Easter Monday the Irish hurdler Monksfield will be attempting to follow a champion hurdle success by winning the *Welsh equivalent.* Persian War, Bula, Comedy of Errors, Lanzarote and Night Nurse have won both races and Monksfield is a favourite for the £8,000 first prize.

On Cup Final day next month Lingfield is to begin a race at 11 am in order to avoid a clash with the big match. Catering facilities and television will be available for those wishing to stay on to watch the Cup Final after the Ladbroke *Derby* trial.

HAYDOCK
2.00—Radio Four Sport
2.30—Kingsfold Lad**
3.00—Greenwood Star***
3.30—Bradamante
4.00—North Page
4.30—Ziggy*

Delay to sailing terminal

B AND I *Line's* £6m passenger terminal at Pembroke is not to open until May 22.

The company's car ferry service will still operate from Swansea to Cork until May 1. There will be a reduced rate for sailings during this period.

B and I will follow the published sailing schedule with few changes in arrival times. Passengers are advised to contact any B and I office or travel agent for full details.

TV Radio

† Indicates programme in black and white

BBC 1

9.45 am The Wombles. 9.50 Jackanory. 10.05 Laff-a-Lympics. 10.30 The Winged Colt. 10.55 The Distribution of the Royal Maundy by the Queen, in Winchesetr Cathedral (simultaneous with Radio 4 UK stereo). 12.40 pm News. 1.00 Pebble Mill. 1.45 Mr. Benn. 3.53 Regional News *for England (except London).* 3.55 Play School (as BBC2 11.00 am). 4.20 Boss Cat. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.10 Blue Peter.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Porridge: a tribute to Richard Beckinsale.
9.00 News.
9.30 The Silent Witness.
10.45 Tonight and Campaign '79.
11.25 Crystal Gayle Sings Country.
11.50 Weather/Regional News.

All Regions as BBC1 except at the following times:

Scotland—5.55-6.20 pm Reporting Scotland. 12.00 News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.00 Heddiw. 12.00 News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 8.25-9.00 Spotlight. 12.00 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 Play School.
†4.05 pm Easter Matinee: "The Song of Bernadette," starring Jennifer Jones.
6.35 A Death Reported.
6.50 When the Boat Comes In.
7.40 Mid-Evening News.
7.50 Newsweek.
8.25 "Lulu," Alban Berg's three-act opera from Paris, Acts 1 and 2 (simultaneous with Radio 3 stereo).
10.25 Late News.
10.30 "Lulu," Act 3.
11.35 Closedown, reading.

LONDON

9.30 am Noddy. 9.40 Barney Google and Snuffy Smith Cartoons. 9.55 Grey Angels of Small Hope. 10.20 "Phantom Rebel." 11.10 Oscar Peterson Presents. 11.35 Showjumping with Harvey Smith. 12.00 Gideon. 12.10 pm Pipkins. 12.30 The Cedar Tree. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Danger UXB. 3.20 Sounds of Britain. 3.50 Oh, No, It's Selwyn Froggitt. 4.20 Little House on the Prairie. 5.15 The Cross on the Donkey's Back.
5.45 News.
6.00 Thames at Six.
6.25 Help!
6.35 Crossroads.
7.00 The Bionic Woman.
8.00 Leave it to Charlie.
8.30 TV Eye.
9.00 Best Sellers.
10.00 News.
10.30 Best Sellers (continued).
11.15 Thames Report.
11.45 The Andy Williams Show.
12.15 am Crisis, introduced by Anna Ford.

All IBA Regions as London except at the following times:

ANGLIA

9.35 am The Bubbles. 9.40 Butlin's Grand Masters Darts Championships. 10.10 England Their England. 10.35 Animated Classic. 11.20 Cartoon Time. 1.25 pm Anglia News. 3.50 Give Us a Clue. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 7.30 Mind Your Language. 11.15 Celebrity Concert. 12.15 am A Reading for Maundy Thursday.

ATV

9.35 am Survival. 10.00 Butlin's Grand Masters Darts Chmpionship. 10.30 Table Tennis. 10.45 Showjumping with Harvey Smith. 11.10 Sara's Summer of the Swans. 1.20 pm ATV Newsdesk. 3.50 The Electric Theatre Show. 4.20 The Cross on the Donkey's Back. 4.50 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 The Liberace Show.

BORDER

9.30 am Betty Boop. 9.35 Friends of Man. 10.00 The Lost Islands. 10.25 Woody Woodpecker. 10.45 The Life and Times of Grizzly Adams. 1.20 Border News. 3.50 Give Us a Clue. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 The Story of the U.S. Masters. 12.15 am Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 3.50 Give Us a Clue. 5.15 Gambit. 6.00 Channel News. 6.10 The Beatles. 7.00 Chips. 10.32 Channel Late News. 10.35 Chopper Squad. 11.50 Friends of Man. 12.15 am News and Weather in French.

GRAMPIAN

9.45 am First Thing. 9.50 Tarzan. 10.45 Space 1999. 1.20 pm Grampian News Headlines. 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Six Million Dollar Man. 11.15 The Story of the U.S. Masters. 12.15 am Reflections. 12.20 Grampian Late Night Headlines.

GRANADA

9.30 am Sesame Street. †10.30 "Conquest of the Air." 1.20 pm Dodo. 3.50 Stars on Ice. 4.20 The Life and Times of Grizzly Adams. 5.10 The Undersea Adventures of Captain Nemo. 5.15 Crossroads. 6.00 Granada Reports and Kick-off Special. 6.30 Emmerdale Farm. 7.00 Survival. 7.30 Makin' It. 11.15 What's On. 11.45 The Story of the U.S. Masters.

HTV

9.25 am "The Robe." 1.20 pm Report Wales Headlines. 4.20 Bailey's Bird. 4.50 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crosroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 7.00 Fantasy Island. 11.15 The Story of the U.S. Masters.

HTV Cymru/Wales — As HTV General Service except: 1.20-1.25 pm Penawdau Newddion y Dydd. 4.50-5.15 Seren Wib. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-7.00 Report West.

SCOTTISH

9.30 am Porgy and Blue. 9.55 Playsafe. 10.05 Amazing Moment of the Great Traction Engine. 10.20 Take a Bow. 10.45 Snow Sports in the North. 1.25 pm News and Road and Weather. 3.50 Cartoon. 4.00 Little House on the Prairie. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Best Disco in Town. 7.30 Survival. 11.15 The Story of the U.S. Masters. 12.15 am Late Call.

SOUTHERN

9.30 am Rovers. 9.55 Cash and Company. 10.45 Space 1999. 1.20 pm Southern News. 3.50 You're Only Young Twice. 4.20 Life and Times of Grizzly Adams. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day by Day. 6.10 Scene South East (South East Area only). 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Survival. 11.25 Southern News Extra. 11.25 Laverne and Shirley. 11.55 What the Papers Say.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 9.30 The Lost Island. 9.55 Morning Movie: "It's all Happening," starring Tommy Steele. 1.20 pm North East News and Lookaround. 3.50 Give us a Clue. 4.20 The Cross on the Donkey's Back. 4.45 The Little House on the Prarie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 Sporting Chance Final. 11.45 The Story of the U.S. Masters. 12.40 am Epilogue.

ULSTER

†10.10 am Thursday Morning Movie: "Holiday Camp." 1.20 pm Lunchtime. 3.50 Give us a Clue. 4.18 Ulster News Headlines. 4.20 The Cross on the Donkey's Back. 4.50 Bailey's Bird. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 Survival. 11.15 Holy Week. 11.20 Counterpoint. 11.50 Bedtime.

WESTWARD

9.20 am Faith for Life. 9.25 The Rolf Harris Show. 9.55 Conquest of the Sea. 10.45 Space 1999. 12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Give us a Clue. 5.15 Gambit. 6.00 Westward Diary. 7.00 Chips. 10.32 Westward Late News. 10.36 Westward Report. 11.50 Friends of Man. 12.15 am Faith for Life. 12.20 West Country Weather, Shipping Forecast.

YORKSHIRE

9.30 am The Adventure World of Sir Edmund Hilary. 10.00 Pipkins. 10.15 Tarzan. 11.10 Record Makers. 1.20 pm Calendar News. 3.50 Mr. and Mrs. 4.20 Rocket Robin Hood. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Mor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Survival. 11.15 The Story of the U.S. Masters.

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92.95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
† Medium wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 *Pete Murray's Open House (S).* 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.50 John Dunn (S). 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave (S). 9.55 Sports Desk. 10.02 The Ted Rogers Show. 10.30 Star Sound Extra. 11.02 Sports Desk. 11.03 Brian Matthew with Round Midnight, including 12.00 News. 12.05 Golf news. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Beethoven (S). 10.05 Vermeer String Quartet (S). 11.10 Words (talk). 11.15 Kaiser Leopold I (1640-1705) (S). 12.10 pm BBC Northern Symphony Orchestra, part 1 (S). 1.00 News. 1.05 BBC Northern Symphony Orchestra, part 2 (S). 2.00 Chichester 903 Festivities (S). 3.05 Pina Carmirelli playing Schubert (S). 3.45 20th-century English Music (S). 4.40 Rostrum '78 (S). 5.25 Homeward Bound (S). 5.45 News. 5.50 Homeward Bound (S). 6.15 At Home: Concert: Britten, Vaughan Williams (S). *7.10 "Lulu," (an introduction).* 7.30 Mozart's Piano Trios (S). 8.25 "Lulu," from the Paris Opera. Three-act opera by Alban Berg (simultaneous with BBC-2 television) Acts 1 and 2 (S). 10.25 Interval Reading. 10.30 "Lulu," Act 3. 11.35 "I Musici," play Mozart, Wolf on records (S). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. Magazine, including 6.45 Prayer for the Day. 7.00, 8.00 Todya's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.45 Serial reading. 9.00 News. 9.05 Election Call: Liberals. 10.00 News. 10.05 The Cross and this World. 10.20 Checkpoint. 10.45 The Royal Maundy. The Queen distributes gifts at Winchester Cathedral (simultaneous with BBC-1 television). 12.00 News. 12.02 pm You and Yours. 12.27 Many a Slip (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 The Last Squire of Erddig. 3.35 Afternoon Theatre. 4.35 Story Time. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain 1979 (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Boult conducts Elgar (S). 9.10 Once a King (interviews with deposed monarchs. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.40 Any Answers? 11.05 A Book at Bedtime. 11.20 The Financial World Tonight. 11.35 Election Platform. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. *9.00 London Live.* 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul '79. 10.03 Late Night London. 12.00 As Radio 2.

London Broadcasting

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1.00-8 pm LBC Reports with George Gale at 3 pm. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

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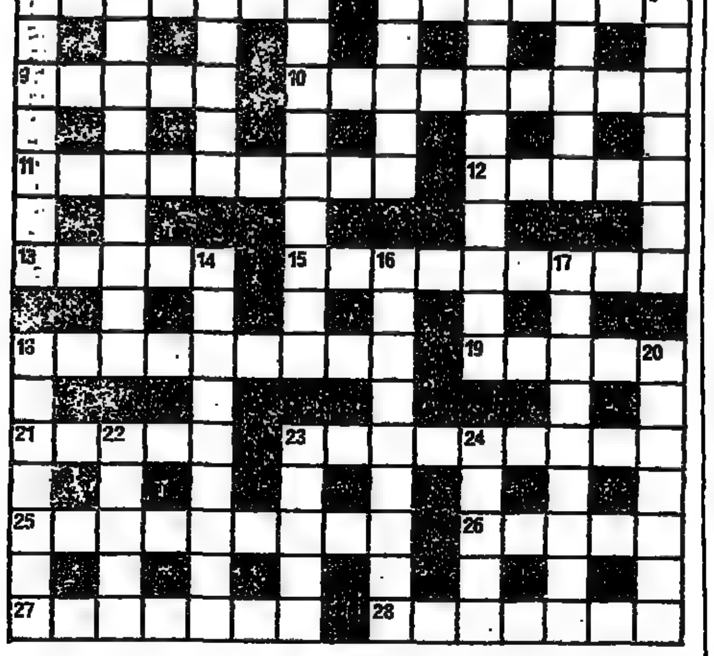

ACROSS

1 Brings up sound but may go pale with wickedness (5,2)
5 Prolong drive abroad (4,3)
9 Boy meets a student of Kings (5)
10 Fool gets the sack and some meat (5,4)
11 Provide river with balance (9)
12 Apparent in the Dover train (5)
13 Smart content of fairies' wishing well (5)
15 King for instance aggrieved with beer (3,6)
18 Pretty fair's the description of animal feedstuff (9)
19 Loren forced to put her name down (5)
21 Dog controller of the French hardwood (5)
23 Food family obtains in queue for relief (5,4)
25 Brief drop in the deficit (9)
26 Instrument's a bloomer (5)
27 Arrested looking cold and hungry (7)
28 Broadcast put down once more we hear (7)

DOWN

1 Make police sergeant take pincers for operations (7)
2 Any objection to question to possible baby-sitter? (2,3,4)
3 County South Africa cut off (5)
4 Getting on without fowl (2
5 Soak has to like this employment (5)
6 Make up is better outside (9)
7 Officer commanding her transformation is yellow (5)
8 Form master popular with waiters? (7)
14 Part of snag with fastening (4-5)
16 Leave magician to Bible puncher (9)
17 Land West-end stray with one politician (9)
18 Softie squeezes money out of little work (7)
20 American general protected child towards shelter (7)
22 Fuss navy makes on deck (5)
23 Mild second-rate country (5)
24 Satan is d— wicked (5)

Solution to Puzzle No. 3,945

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THE ARTS

Record Review

Bach Passions: ancient and modern

by NICHOLAS KENYON

Bach. St. Matthew Passion (sung in English). Robert Tear, John Shirley-Quirk, Felicity Lott, Alfreda Hodgson, Neil Jenkins, Stephen Roberts. The Bach Choir, Boys of St Paul's Cathedral Choir, Thames Chamber Orchestra/Sir David Willcocks. Decca D139D (4 discs). Sponsored by Sun Life Assurance. £17.50.

Bach. St. John Passion (sung in German). Heiner Hopfner, Nikolaus Hillebrand, Hans Georg Ahrens, Aldo Baldin. Regensburger Domspatzen, Collegium St. Emmeram/Hanns-Martin Schneidt. Archiv 2565 108 (3 discs). £14.25.

On Good Friday this year, Bach's *St. Matthew Passion* is 250 years old—probably. 1729 has been traditionally accepted as the date of its first performance, but two years ago the musicologist Joshua Rifkin (better known for his advocacy of Scot Joplin) put forward a strong detailed case in the *Musical Quarterly* for believing that the work was first heard in 1727. Certainly this fits more convincingly into the pattern of Bach's activity in Leipzig as modern research has portrayed it: by the end of the 1720s his commitment to writing new music for the town churches was more or less dead, and he turned his attention to the secular activities of the Collegium Musicum and to the possibilities of employment in another German court.

However, to judge from a new book by that tireless promoter of the work in this country (always uncut, and in its original language), Paul lished by Paul Elek—the case remains open. We can certainly celebrate the 150th anniversary of Mendelssohn's famous revival, and the Bach Choir's new recording under Sir David Willcocks is perhaps more appropriate as a commemoration of 19th-century devotion to Bach than as either a radically new or faithfully old interpretation. The Bach Choir must have been singing this Passion for a hundred years, and the work it has done in introducing the music to generations of concert-goers (in its annual performances, now at the Festival Hall) cannot be under-estimated. But this recording has the flavour of a ritual observance, rather than of music newly remade.

It is a measure of how far opinions in this country have developed that Willcocks feels it necessary to take a large part of his programme note to explain his departures from what he terms "the so-called 'authentic' type of performance." The argument is detached, but it leads inexorably to the conclusion that Might is Right. However, the recording supports that view only insofar as it *departs* from the traditionally large-scale manner of Bach performance familiar in this country.

And depart it does, often and interestingly. Willcocks takes great care to make his orchestral textures crisp and his choral textures light: the Thames Chamber Orchestra serves him very well, the Choir less so. For it cannot help dominating the sound from its sheer size as soon as it enters—the interplay of instruments and voices is quite lost in he choral numbers. Phrasing is good in "I would my Saviour," staccato passage work is well articulated, and chording is quite precise and sometimes even brittle. But the balance is totally awry, and the orchestra (even the obbligati in the solo numbers) is recorded too far back to make it an equal partner in the performance.

Where Bach's textures are already transparent, such as in the apoggiatura-laden duet "Behold my Saviour now is taken," the results are very fine—but the choral interpolations here have the effect of a stereophonic cotton-wool storm. The soloists, with the honourable exceptions of Neil Jenkins and Stephen Roberts, are all too heavy. Felicity Lott and Alfreda Hodgson both sing with piercing intensity, straining not to let the legato tone relax for a moment. In too many of the solo numbers Willcocks lets the music slip into a steady tread which loses all life and breath. Robert Tear declaims the narrative as if it were opera, rising boldly to every supposed climax. John Shirley-Quirk is a cloudy, watery-eyed Christ.

What gives this recording its distinctive character, however, is the use of an English text. For those who want such a version, it may (in spite of reservations) be recommended. All the arguments in the world for intelligibility (and are the aria texts audible? And is the Passion text so unfamiliar to listeners?) cannot however convince me that this is the right decision. The Authorised Version and Troutbeck's sentimental Victorian aria texts do not *explain* Bach and Picander: they interpose a further cultural barrier between us and the 18th century, and remove a very particular expression of Lutheran pietism into the realms of *generalised religious devotion*. Which is the effect of the whole performance.

The Regensberg Cathedral Choir's version of the St. John Passion might have been designed to answer at every point Willcocks' points about authenticity. Only boys are used, a very small number, and old instruments. Hanns-Martin Schneidt's account (like his wonderfully cool Monteverdi Vespers also on Archiv) is restrained, but darkly intense. As an "art product," this is doubtless inferior to Willcocks' St. Matthew, but it gets far nearer to the character of the music as revealed by the notes on the page. How much more potently do the struggling boy soloists in the first alto aria and final sublime soprano aria "Zerfleisse mein Herze" express the *aspirations of the text*, set against the clear woody sounds of oboes and flutes, than the smoothly confident English singers. Heiner Hopfner and Nikolaus Hillebrand narrate in a manner which is clearly a development of liturgical chant, rather than a restriction of 19th-century oratorio.

The sheer audibility of the music counts a great deal: here the Collegium St. Emmeram is balanced forward, and the cascades of flute scales and continuous violin figurations in the crucifixion choruses all tell in a way impossible with a large choir. Schneidt's subdued power makes these sections deeply impressive, yet they are not painted on too wild and large a canvas to prevent the *simple chorales from sounding*—as they should—like the beating heart of the work. Rallentandi are a little overdone, and some speeds at first sound strange; and I might have made a couple more retakes where rhythms slip out of true for a moment. But in all, a recording which shows us much of what Bach intended, in the timbres and colours and sounds which he would have heard.

As a bonus, the final side presents those movements which Bach included in his 1725 performance of the St. John Passion, including the great chorus "O Mensch bewein" which was transferred to the end of the St. Matthew. This is therefore a really complete version of the work. Challenging but quietly inspiring listening on Good (or any other) Friday.

Ben Cross

Trevor Humphries

Cambridge

Chicago

by B. A. YOUNG

The impresarios' blindness over *Chicago* has paid a dividend, for *Chicago* now comes to the West End with the advantage of Peter James's Sheffield production. It has had to be altered to fit the proscenium stage of the Cambridge instead *of the open stage of the* Crucible, and the cast is now twice as numerous as the Sheffield company, with consequent expansion of the routines; but it is fundamentally the same show, with the same principals. To my mind there hasn't been a musical in London for a long time that comes within a mile of it.

Chicago is based on an old satirical play by Maurine Dallas Watkins about justice in Cook County, Chicago, where, as one of the characters says, murder is a form of entertainment. A witty dramatic basis is not always the recipe for a good musical; the public did not take to *Bar Mitzvah Boy*, for instance (though I did). But Fred Ebb and Bob Fosse have converted the play into what is really a series of cabaret numbers. The songs are not, as they so often are, the signal for drama to stop. They actually contain the drama themselves. Roxie Hart's homicide, imprisonment, legal consultations, trial and private life are all presented in splendid routines, choreographed by Gillian Gregory and costumed by Anne Sinclair, where the story may be contained in the lyric but more often is contained simply in the action.

This process serves not only to recount the tale, with its account of Roxie's absurd romantic evasion of justice, but to offer some pretty sour comments on the nature of that justice. Defence counsel Billy Flynn's principle, "You've got to razzle-dazzle them," trenchantly put over by Ben Cross with the aid of a chorus dressed for the circus, is not unknown even in our own *courts*.

Roxie Hart, groomed by her lawyer until she turns from one of the Six Merry Murderesses in Cook County Jail into a Barbara Cartland heroine, is most persuasively played and sung by Antonia Ellis. Jenny Logan as her fellow-murderess Velma, from whom she steals all the best tricks, including the non-existent baby, the divorce, even the silver shoes with rhinestone buckles, keeps her end up handsomely, and it is good to see that their sister act, after acquittal, is so able. The dancing, incidentally, looks better to me than it did at the Crucible, where the downward view deprives you of a background. At the Cambridge there is a dark curtain upstage (under the orchestra balcony) against which the movement shows with more elegance.

Out of context the songs do not amount to much, though there is one grittily comic duet for Velma and the head wardress (Hope Jackman) called "Whatever happened to class" that is pretty good of its kind. It is their presentation that makes them count, with ideas like the ventriloquist act for lawyer and client, "We both reached for the gun," which is almost worth the price of the *ticket on its own. All the singers* are wired for sound, of course.

I cannot stop without offering a word of praise for Philippa Boulter as the monoglot Greek murderess who hangs herself from the flies when her single English phrase "Not gueelty" proves inadequate razzle-dazzle.

The largest-ever Edinburgh Festival

The 1979 Edinburgh International Festival will be the largest and most novel in its 33-year history. It will include performers from 23 countries *and present almost 200 shows.*

John Drummond, in his first year as Festival Director in succession to Peter Diamand, has deliberately set out to popularise this year's Festival which opens on August 19 and continues until September 8. In recent years it has gained a reputation, particularly among Edinburgh people, as stuffy and even unimaginative, concentrating heavily on opera.

Mr. Drummond, however, has concentrated more on ballet and dance than on opera as is shown in this year's programme in which there will be 21 ballet and dance performances compared with 16 opera performances.

A number of new and original venues have been chosen. They include a "big top" in the Meadows to be called The Tent. This *will house ballet* performances by Sadler's Wells, the Royal Ballet and the National *Ballet of Cuba*.

There will be 15 symphony orchestras, 15 chamber music concerts, 57 theatre performances, seven late-night shows, 14 recitals of poetry and reading, six lectures, two jazz concerts and something like 20 other events.

The nine venues will include Edinburgh's first full-time concert hall since the Festival started, a former church which is to become the Queen's Hall and will be officially opened by the Queen in July. A distinctive Georgian building, it has been converted to an 800-seat concert hall at around £600,000 of which less than £75,000 has still to be raised.

Churchill, Bromley

Dandy Dick

by MICHAEL COVENEY

The Churchill has a new artistic director, and Ian Watt-Smith has got off to a flying start with a robust production of Pinero's racy farce. This is the most popular of the three Court farces with which Pinero made his name in the 1880s and, even if the late, great, Alistair Sim cast a long shadow over today's revivals with his performances in the mid-1970s in two of them (*Dandy Dick* and *The Magistrate*), there is plenty in the gentle mockery of fustian Victorian manners, in the *elegance of the language and* in the casual artfulness of their construction, to amuse and edify.

Most Restoration comedy is more sympathetically attuned to the *disposition of the contemporary* theatre than is the work of Pinero, Jones or the *forgotten Grundy*. But, as Pinero consistently writes about people with status under both moral and economic pressure, he seems almost to spring free from the melodramatic and romantic conventions he, in the end, honours.

Even though the Dean's flirtatious daughters ensnare their chinless hussars, even though his hersey sister, Georgiana Tidman ("the Daisy of the turf"), teams up with his old Oxford chum, Sir Tristram Mardon, the mechanics of the play are chiefly to do with how the clergyman, having succumbed to the temptation of backing *Dandy Dick* in order, hopefully, to finance the restoration of the church spire, extricates *himself from a criminal* charge when caught tampering with the horse on the eve of the race.

Madeleine Newbury and James Hayter

Corinne Cockrell

Alistair Sim brought a formidable battery of panic-stricken stares, desperate gurgles and flailing gestures to bear on the part. At Bromley, James Hayter's approach is more even, more benign and less endemically hilarious, but he does catch the Pinerotic rhythm with some success. When, for instance, the Dean is rescued on the hill by Georgiana's racing cronies and deposited, limbs akimbo, back at *St. Marvells*, *Mr. Hayter* can stop the show with his expert delivery of "I feel as though I have been carefully walked over by a large concourse of the lower orders." He waddles through the action like a dignified sea lion, making great sense of his indifference to the girls' hussars, one of whom (beautifully played by Jeremy Child) *has left most of his liver in India* and is prone to slump from manic laughter into morbid silence for little apparent reason.

The stolidly handsome designs are by Roger Beck, a cut above the work I have seen by him before at this address, and a strong supporting cast includes *Madeleine Newbury and* Nicholas Smith as the co-owners of Dandy Dick, Shelley Borkum and Janina Faye as the Dean's daughters, Kate Williams as Hanah Toping, and Paul Humpoletz as the insanely jealous and bad-tempered constable Noah, one of Pinero's happiest cameo creation. Mention must be made, too, of Leslie Saroney's weasel-like butler, dropping his aitches and disapproval at the feet of all and sundry with inimitable acidity.

Guildhall, Londonderry

Aida

by ELIZABETH FORBES

As the Northern Ireland Opera Trust is still without a Belfast theatre in which to *perform*—a situation which should be remedied next year when the Grand Opera House reopens—its 1979 season featured two concert performances each of two large-scale operas that the Trust could not normally afford to stage. The huge cast of singers, extras, dancers, not to mention animals, needed for *Aida* in the theatre can, on the concert platform, be reduced to *six principals* and a *chorus*. *Verdi's music supplies the rest.* For this reason the conductor of an operatic concert performance bears an even greater responsibility than usual for its success or failure.

At the Guildhall, Londonderry, where I heard the NIOT *Aida* (there was a second performance in the Ulster Hall, Belfast), Gabriele Bellini could be awarded a large share of credit for the way that Verdi's *opera, sung in Italian, held* a packed audience spell-bound, despite arctic weather conditions. Outside, snow-storms and torrential rain swept the country; inside, an African climate prevailed, helped by the Guildhall's splendidly warm acoustic. Maestro Bellini, who is on the staff of La Scala, Milan, drew *idiomatic playing from the Ulster Orchestra, though the* brass was sometimes too heavy for the weight of string tone.

He also obtained confident singing from the NIO Chorus, a group not large enough for the Triumph scene. The more intimate scenes were both beautifully shaped and better balanced, while the entire Nile act, planned as one continuous movement, built up strong dramatic tension. The title role was sung by Mechtild Gessendorf, a soprano able to achieve, by purely vocal means, an *identification* with the character powerful enough to create its own compelling theatrical illusion. Her voice, vibrant and exceptionally even, easily dominated the big ensembles, and was equally effective in Aida's gentler music.

As Ramades, Kenneth Collins offered an extrovert reading, flooding the hall with opulent tone, declaiming the text incisively and, in the final scene, displaying real tenderness. Though Dianne Stafford should surely not be singing Amneris so early in her career, she flung herself heart and soul into the part, winning a sympathy that the Egyptian princess does not always arouse. The duet with Aida was nicely done but the Judgment scene requires a force she cannot yet command. Terence Sharpe was a reliable Amonasro, his singing always stylish as well as meaningful. Don Garrard sang with authority as Ramfis and Phillip Summerscales made a positive King.

The second opera, which I heard in Ballymena, was *Der Fliegende Hollander*, another work that would be difficult for NIOT to stage. Despite the dry acoustic of the Antrim County *Hall*; *Lionel Friend, who conducted*, evoked the surge and splash of the sea that permeates Wagner's score with exhilarating, bouncy rhythms. The chorus tackled Wagner even more boldly than Verdi, spitting out the German consonants with praiseworthy aggressiveness.

The title role was firmly sung by Lawrence Shadur, whose dark-coloured voice gave the gloomy Dutchman both purpose and character.

Pauline Tinsley, secure and steady in Senta's Ballad, sang with appropriate exaltation in her long duet with the Dutchman. Arley Reece, who doubled the Steersman and *Erik*, was generous with open, lyrical tone in both roles and also displayed some subtlety of phrasing in Erik's account of his dream. Don Garrard lavished rather more *nobility of utterance on Daland* than the character strictly warrants, but it would be churlish to complain on that account. Joan Davies made an unusually good-humoured Mary.

FINANCIAL TIMES

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Thursday April 12 1979

Cautiously radical

THE CONSERVATIVE Manifesto is the one we have all been waiting for. The Conservatives, after all, have become the radical party. It is they who represent the major challenge to the *status quo* and it is up to them to say how they would change it.

In the event the Manifesto published yesterday is a mixture on a programme for a five-year Parliament and a general statement of philosophy. There is no shortage of legislative proposals—for example, on housing or education, though most of them are of the repealing or amending variety. But is is the statement of philosophy that matters most and on which one suspects the Tories will fight the election campaign.

Economic climate

The Manifesto is remarkable for the fact that, unlike that of the Labour Party, it sets no specific target for economic growth. What it offers instead is a change in the economic climate. Under a Tory Government there would be less tax, particularly at the higher and lower ends of the earnings scale, less state interference in industry and generally less bureaucracy. Many of these changes would have to be at least initiated in the Tories' first budget and the aim would be to create conditions in which growth could take place. But it has to be said that that is a hope, not a promise. What the Tories are offering is a change of direction rather than an economic miracle. That is perhaps the first sign of their cautiousness.

The second sign is the number of subjects that a Tory Government would place under review. The activities of the British National Oil Corporation and the working of the Monopolies Commission, the Office of Fair Trading and the Price Commission are among them. There is nothing inherently wrong with that, though one would hope that the reviews could be quickly completed and it is perhaps somewhat surprising that a Manifesto so committed to the market economy has so little to say about competition policy.

Rhodesia

There is also some cautiousness in the approach to the trades unions. The reforms promised are not sweeping and were in any case largely to be expected, especially in the light of the industrial unrest last winter. But they would need to be handled with tact and again preferably in the early stages of a Tory Administration.

So much for the general philosophy. If one accepts that a change of direction is required, it can hardly be said that the Tories have failed to point the way. The promises of a reduction in the Government's borrowing requirement, strict control of the money supply and cuts in taxation are all there.

There are one or two areas, however, where Tory thinking is still vague and others where cautiousness may have been rashly abandoned. The statement that pay bargaining in the private sector "should be left to the companies and workers concerned" is both clear and welcome, but there is no matching clarity about bargaining in the public sector. The German or "concerted action" approach recommended in *The Right Approach to the Economy* seems to have been downgraded, but it is far from obvious what would be put in its place.

The Tories may also come to regret their bold statement on Rhodesia, an issue which has defied successive British Governments. It is easy to say that the next Government could have the duty to return Rhodesia to a state of legality, but the problem has always been that of matching duty with power. There is no reason to believe that a new Tory Government would be any more powerful in this respect than its predecessors.

The Tory campaign so far has placed a great deal of emphasis on housing, and here the promise of a new system of shorthold tenure is to be welcomed. Yet the benefits arising from the sale of council houses, which is at the centre of Tory policy, are left unquantified. It is a subject for a White or Green Paper setting out all the issues, financial and otherwise, rather than the early legislation which the Manifesto proposes.

Bolder

There are other areas, such as constitutional reform and Northern Ireland, where the Tory Manifesto is not vastly different from that of the Labour Party, and it cannot be said that reform of the political institutions has been given a very high priority. In general, however, the Tory document stands out for its greater boldness and greater confidence, whether the issue is Europe, defence or the economy. Mrs. Thatcher is offering an alternative government with alternative policies. The question over the next three weeks will be whether that is what the electorate wants.

Now it is up to Uganda

TWO OF the Third World's most brutally oppressive Governments have been driven from their capitals by invading forces in recent months. In December, the Vietnamese Army installed opponents of the former Pol Pot regime in Phnom Penh. Now Kampala has fallen to a combined attack by Ugandan exiles and Tanzanian soldiers—even if the ultimate fate of President Idi Amin remains unknown.

Enthusiasm

There are, of course, major differences between the two events. Tanzania's action is not going to provoke the sort of retaliation that China unleashed against Vietnam, at the risk of serious international repercussions. The overthrow of Amin, if it can finally be described as such, has apparently been greeted with enthusiasm by the local population, whereas the Vietnamese-backed regime in Cambodia is strongly opposed by many Cambodians. But there are two common factors. Neither operation would have succeeded without foreign military support. And both toppled regimes were deeply repugnant to public opinion—not only in the West but in many areas of the Third World as well.

Frontiers

That is no reason, however, for welcoming the manner of their downfall. The inviolability of frontiers is a principle of major world importance that has been endorsed both by East and West in Europe and by the African nations in the Organisation of African Unity. Most of Vietnam's neighbours would feel much safer if they thought it could be guaranteed in South-East Asia.

If other African countries have been largely silent about Tanzania's breach of such a fundamental principle, that is not because they think it no longer important. For presentational purposes, of course, Tanzania can argue that its move was justified in response to Uganda's earlier invasion of its own territory. The real reason, however, why Africa has condoned Tanzania's action is the nature of President Amin's regime. President Amin has long been a source of acute embarrassment to Africans, just as he has been to the other members of the Commonwealth and to the EEC—linked with Uganda through the Lomé Convention.

The precedent is nonetheless a dangerous one. Many of the arbitrary boundaries that the departing colonial powers left behind them in Africa are inherently unstable. One need look no further than the bitter wars that have threatened the unity of Nigeria, Zaire and Ethiopia in recent years. Hitherto, African countries have unanimously agreed that the inviolability of frontiers, however unsatisfactory they may be, is essential for their continuing independence. A threat to one is a threat to all.

Withdrawal

The best hope for minimising the damage in Uganda lies in a speedy withdrawal of the Tanzanian forces once a new regime is safely installed in Kampala. If Tanzanian troops are needed to keep the new Government in power, then it will begin to look more like the puppet regime in Phnom Penh and less like one that has the genuine support of the people. Given the wide range of political viewpoints represented in the new Uganda National Liberation Front that is expected soon to take over in Kampala, it may not be easy to ensure stability. Tribal pressures are also bound to remain strong.

But it must now be left to the Ugandans to work out their own future. After so many years of suffering, the hope must be that they can devise a system of Government that represents the wishes and the interests of the majority of the country's inhabitants. That, in the end, is the best way of making unnecessary recourse to foreign intervention to remove an oppressive regime.

French Left and Government both in disarray

By ROBERT MAUTHNER, in Paris

ANYONE ARRIVING in France today would think that the country was in the midst of as fierce an election campaign as Britain. Political leaders are daily tearing each other apart on all three TV channels, the radio and other public platforms. Newspaper and magazine headlines give the impression that France has been shaken by a major political and economic crisis and that fundamental changes are just around the corner.

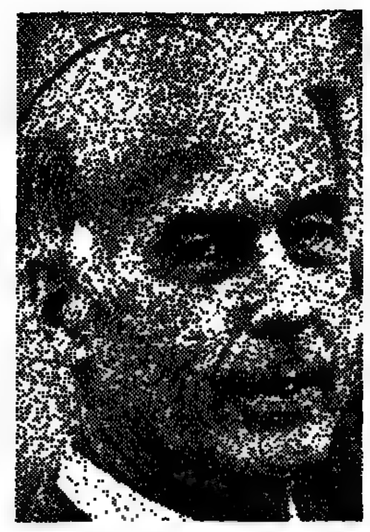
Yet the Government has not fallen and was not even remotely threatened by a censure vote during the recent special session of the National Assembly on the unemployment situation. Moreover, President Valery Giscard d'Estaing, the centrepiece of French political institutions, was elected in 1974 for a seven-year term and is therefore firmly ensconced at the Elysee Palace until the spring of 1981.

What then is the cause of all the sound and fury and why are both the Government coalition and the Socialist and Communist opposition parties in disarray?

Discontent with the austerity policies of M. Raymond Barre, the Prime Minister, and particularly his steel restructuring plan, is only part of the answer. The steel-workers' mass demonstrations against the plan to suppress some 20,000 jobs in the steel industry certainly provided both the Socialist-Communist opposition and the Gaullists, reluctant members of President Giscard's coalition, with a stick to beat the Government. As far as the Gaullists were concerned, however, the industrial unrest merely offered their leader, M. Jacques Chirac, an additional pretext for pursuing his guerrilla attacks against President Giscard, which he had launched long before the Longwy and Denain workers took to the streets.

M. Chirac's aim, as has been clear ever since he resigned as President Giscard's first Prime Minister in August 1976, is both to become President of the Republic one day, and to re-establish his party as the most powerful political force in the country. The objective may be simple, but finding the right tactics to achieve it are certainly not. The Gaullists fought last year's general election on a joint platform with President Giscard's centrist supporters against a Socialist-Communist Union of the Left which had promised to introduce a sweeping nationalisation programme and a centrally planned economy. Though M. Chirac's energetic electioneering certainly helped to defeat the Left, it was no more than a contributory factor. Quarrels between the Socialists and the Communists about their economic programme and President Giscard's personal popularity were at least equally important.

For M. Chirac to abandon the Government now by taking his party into opposition could well mean committing political suicide. If he were to join the Socialists and Communists in overthrowing the Government in a parliamentary vote, a substantial section of the conservative electorate would not forgive him. At the ensuing general election, the Gaullists would inevitably pay the price.



President Giscard — firmly ensconced in spite of all the political sound and fury.

Mr. Mitterand (left)—the challenge from Mr. Rocard has severely impaired party unity just before the European elections.

Mr. Chirac—stepping up the guerilla tactics against President Giscard.

On the other hand, the party's long-term survival and M. Chirac's own standing as a leading politician depend on establishing a separate and well-defined personality. If the Gaullists become too closely identified with President Giscard and his policies, they will also risk being swamped by the centrists, and M. Chirac's chances of beating M. Giscard in the next presidential election would be jeopardised.

Dilemma for Mr. Chirac

The dilemma facing M. Chirac has been made worse by the imminence of the elections to the European Parliament, which every political party in France looks upon as a test of its domestic popularity. After their comparatively poor showing in recent local elections, the Gaullists are even more anxious to do so well in the European poll on June 10. Their big concern is not so much to beat the Socialists and Communists, as to do better than the UDF, President Giscard's chief supporters. M. Chirac's whole tactics are geared to this objective. While giving the Government an assurance that the Gaullists will continue to give it parliamentary backing at least until the European elections are over, M. Chirac has stepped up his assaults on President Giscard's and M. Barre's policies.

For many months now M. Chirac has appealed to the chauvinist in every Frenchman by accusing the President of failing to obtain from his Common Market partners guarantees of French national independence after the European elections. A specific declaration by all EEC Governments was required that the powers of the European Parliament would not be extended after its direct election, M. Chirac said. President Giscard has argued that the Treaty of Rome provides such a guarantee, and that a separate declaration was therefore unnecessary.

What started with a limited campaign against the President's European policies has recently escalated to what many French observers consider to be a point of no return. Not only has the Gaullist leader sharply criticised M. Barre, calling upon the Prime Minister to adopt expansionary measures to mop up unemployment, but he has stated that President Giscard could not hope to win the next presidential election unless the Government's economic policies were modified fundamentally.

The European elections have thus been transformed by the Gaullist leader almost into a domestic poll. Their outcome will therefore be doubly significant as far as France is concerned. M. Chirac obviously considers that they will be decisive in determining his future course of action. If the Gaullists do well at the expense of President Giscard's supporters, it would mean that the voters had endorsed M. Chirac's strictures on the Government and that his party would stand a good chance at a national election. The moment might therefore be ripe for him to take the plunge into opposition and to precipitate a political crisis.

Whichever way he decides, it will become increasingly difficult for the Gaullist leader to maintain his present schizophrenic line. Many of his own supporters are already impatient that he has not taken his opposition to the Government to its logical conclusion, while M. Chirac's political opponents have made the maximum capital out of his contradictory courses.

M. Chirac would be taking great risks if he provoked a general election in the present economic climate, even if he does chalk up a good score in the European election. The Gaullists, though they have opposed M. Barre's policies of economic restraint, are unlikely to be the main beneficiaries of a general election, as the results of the recent local elections have shown.

The internal quarrels of the Left, which lost the Socialists and Communists the last general election in March 1978, have apparently not alienated at least Socialist voters from their party. In the cantonal elections last month, the Socialists polled some 27 per cent of the popular vote in the first round, when the candidates of all parties were running against each other. This was more than five percentage points above the Socialist score in the first round of the general election, and gave some credence to the party's claim that it has become the biggest in the country.

Though local election results are not necessarily a reliable pointer to the outcome of a general election, they are at least an indication of which way the wind is blowing. Moreover the cantonal elections did no more than confirm a trend which was already evident from a series of by-elections in the autumn of last year.

It remains true, on the other hand, that the Left remains deeply divided and that the chances of the Socialists and Communists of cobbling together another common programme, after their last disastrous experience, are extremely slim. If M. Chirac is contemplating a final break with President Giscard's Government, he must have been heartened by the outcome of last week-end's national congress of the Socialist Party in Metz. The debates and voting on policy resolutions there eloquently demonstrated that the Socialist Party remains deeply divided about renewing the alliance with the Communists on anything like the old terms.

For the moment, the policy of the party leader, M. Francois Mitterrand, who is firmly committed to a continuation of the Union of the Left and a sweeping nationalisation programme, has won the day—but only just. For the first time since the congress of Epinay in 1971, when he took over the leadership of a completely renovated Socialist Party pledged to co-operation with the Communists, M. Mitterrand failed to win the backing of a majority of the party. As the leader of the biggest single faction, which obtained 47 per cent of the congress vote, M. Mitterrand remains the First Secretary and will control the national secretariat, the party's top decision-making body. But his policies will be increasingly contested by what can best be described as the party's "social democratic" wing, in other party committees.

M. Mitterrand's main rival in the party is the 48-year-old M. Michael Rocard, whose strong support for a mixed market economy, regional devolution and workers' control contrast sharply with the party leader's insistence on state control of large sectors of the economy and centralised planning. But the main disagreement between the two men is over the conditions on which the Union of the Left should be resuscitated. M. Rocard places much more emphasis than M. Mitterrand on the need for a fundamental modification of Communist policies before a new pact is concluded.

The shadow over Mr. Mitterrand

The clash between M. Mitterrand and M. Rocard has been going on for a long time. But what really undermined the party leader's authority was that M. Rocard has been joined in opposition by M. Mitterrand's former chief lieutenant, M. Pierre Mauroy, who put all the blame for the failure to reach a policy compromise on M. Mitterrand. M. Rocard and M. Mauroy together control 38 per cent of the party and constitute a powerful shadow which, one day, could well become the head of the party.

The net result of the Metz congress is that the Socialist Party will be going into the European elections with its unity greatly impaired, though there is no question of a formal split into two separate groups. Whether this will influence the voters, given that M. Rocard and M. Mitterrand hold broadly similar views on European unification, remains to be seen. But the electorate will hardly be favourably impressed by the fact that the pro-European M. Mitterrand is preparing to do a deal with the basically anti-European left wing of his party after the European elections, merely to rebuild his majority within the party.

The Metz congress has done nothing to clarify the problems of who will be the party's candidate in the presidential elections of 1981. Had M. Mitterrand won a clear victory at the congress, there would have been little doubt about the candidate's identity. But his weakened position, coupled with the fact that he has twice been an unsuccessful presidential candidate, may militate against him. M. Rocard would be the obvious alternative, in spite of his protestations last weekend that he would not stand in M. Mitterrand's way.

This must all be grist to M. Chirac's mill, since his chances of going into a second round run-off against M. Giscard d'Estaing in the next presidential election would undoubtedly be increased if M. Mitterrand did not present himself.

Inevitably, too, the basic policy differences within the Socialist Party and the rising fortunes of M. Rocard have revived speculation that, one day, President Giscard may realise his dream of ditching the Gaullists and forming a centre-left coalition. That is something which M. Chirac has long feared, and it partly explains his hostility to M. Giscard d'Estaing.

But so fundamental a realignment of French political alliances is necessarily a long-term possibility only. Whatever the President's aspirations in this field, no one in the Socialist Party, including M. Rocard and M. Mauroy, currently considers it to be a realistic, or even a desirable solution. The argument against it is that the Socialist Party has built its present success on its Left wing policies, and that any reversion to Fourth Republic deals with centrist or Right wing parties would soon cut down its support in the country.

What happens after the presidential election in two years' time, if President Giscard is re-elected and if M. Rocard eventually should win the power struggle within the Socialist Party, is another matter. Before then, France can expect a lot of fireworks from the mercurial M. Chirac, which could easily upset a number of apple carts.

MEN AND MATTERS

Enriching the workplace

After six years of trying to humanise BL production lines, Oliver Tynan, faces a more serene interval as director of that obscure section of the Department of Employment known as the Work Research Unit.

Tynan, 51, who has been seconded to the unit for two or three years, tells me he does not like the usual term "job enrichment," with which the unit is concerned. With the tone of a man who learned his semantics the hard way, he says: "If you call it anything, it gives people all sorts of expectations."

Improving life on a British factory floor notoriously runs up against the problem of hidebound conservatism on all fronts, and the workers' demand for a silver lining to any change being introduced: he admits the last few years have not been easy, if "exhilarating" at times.

Tynan is convinced that industrial democracy is a vital part of the way ahead, and is not too downcast by the shaky start to BL's participation scheme, of which he was a prime mover: "Anybody who sees people who have spent years at each others' throats talking about the plans of a big company in the way Leland has been talking, and expects it to be all fine and lovely ever after has a stupid expectation. . . . The great difficulty is to pick our way through the detritus that's been left from the past."

But if Whitehall does present the opportunity to look at his field with more detachment, Tynan makes it clear that he faces some sizeable odds in persuading industry at large to take more interest in what has no name: "Most of the protagonists are engaged," he admits, "in sorting out how they are going to deal with the problems of inflation.

"Nothing personal, your Majesty, but if we let you in we've got to let that Amin guy in as well."

Rival wings

The Aberdeen Air Services Action Group was celebrating yesterday. Formed six months ago as a protest against the standards of British Airways services from London, the group told me on the telephone it is "quite delighted" that Dan-Air has just said it will apply to the Civil Aviation Authority for permission to operate between Aberdeen and Gatwick.

Although British Airways is certain to oppose the proposals, and this will mean a public inquiry, Dan-Air hopes to start serving Aberdeen in November. The action group, claiming that the "oil city's" international importance and need for first-class communications is not recognised by BA, has pressed for an alternative service from London.

Group members, backed up by a public relations firm, are certainly powerful enough to create some turbulence; they include BP, Occidental, Mobil, Union Oil, a representative of Aberdeen Chamber of Commerce, even a professor from Aberdeen University.

Dan-Air flights already complement those of British Airways between London and Newcastle. "We think some similar rivalry can only benefit Aberdeen," says the action group—which is currently complaining of high prices, crowded planes and unpunctuality.

Wet wonders

If ever a computer system deserves to succeed it is Talisman, the Stock Exchange-run During the days leading up to system for clearing equities. During the days leading up to its starting operation this week it underwent a (liateral) baptism of fire and water.

On Friday fire broke out in the basement of the Wilson Street offices among rolls of computer tape. Several gallons of water later, everything was under control again. Cables were replaced and the standby system checked.

On Sunday morning the heavens opened, and blocked drains sent water pouring down on to the electrical equipment. Once more disaster was averted.

Now the controllers are waiting for the third plague, of frogs perhaps? Or maybe the shades of the Roman gods—on whose temple the computer centre stands—will make a guest appearance.

Zambezi arms

Rhodesia's spate of air attacks on neighbouring Zambia in the past two days have been conducted by British Canberra bombers supplied to the old Central African Federation, 20 years ago. It seems that the Zambians have been firing at the Camberras with Rapier missiles, supplied to President Kenneth Kaunda by Britain rather more recently.

However, it is not an exclusive encounter, because—according to Ian Smith—the Russians have moved in some senior officers to help Joshua Nkomo's guerrillas, the target of the air raids.

The attacks certainly mock Zambia's sovereignty. But more than that, yesterday's pre-dawn attack was on camps north of Lusaka at Mulungushi—a place with almost mystical significance for Kaunda. It was here that his United National Independence Party planned its tactics in colonial times. Mulungushi is where Kaunda likes these days to expound his "Humanist" theories to close followers.

Price of promises

Is it a portent? The Tory manifesto has done its bit against inflation, in the most direct fashion—by going up only 2½p to 15p since the last General Election in October, 1974. The cost of living has almost exactly doubled in the intervening years.

The Labour Party has kept pace with the results of its period in power, by putting up the price of its manifesto 100 per cent to 20p. The Liberals have imposed a price freeze; but seeing that they were 25p even in 1974, that still makes their words the most costly of all.

The nostalgic may care to know that in 1945 the Conservative manifesto was one old-style penny, and Clem Attlee's clarion-call was 2d. The Liberals are lost in the mists of time. As for the brave new worlds the politicians were promising then—that's another story.

Sense of history

Another triumph for American know-how: a firm in Cohasset, Massachusetts, is advertising: "Assemble Your Own Antiques."

Observer

ECONOMIC VIEWPOINT

Lifting the fog round EEC finances

ONLY FALSE friends of the European Community will want to try to play down or disguise the absurdities of the Community budget and the Common Agricultural Policy. Even those who want to get at the truth are often bemused by the obfuscation, jargon and complexity that surrounds both the administration and the statistics of the system.

We therefore owe a debt to Wynne Godley's Cambridge Economic Policy Group for elucidating the logic of it all. When the group's annual policy review appeared a couple of weeks ago, its analysis of the EEC budget was overshadowed by its controversial proposals for worldwide import controls. Yet the analysis of the EEC budget stands in its own right and is in no way dependent on any of the other characteristic Cambridge doctrines. It deserves far more attention than it has so far received.

There are some preliminary difficulties arising from the transitional arrangements to shield Britain from the full budgetary impact if the CAP which are due to come to an end in 1980. The Cambridge Economic Policy Review takes as its starting point estimates presented last November by the Economic Policy Committee of the EEC. They are based on what would have happened in 1977 if the transitional arrangements had not been in force. But Mr. Godley and his colleagues regard them for that reason as a rough estimate of what the actual 1980 position is likely to be—and indeed is not too bad an approximation to 1979. In the case of the UK, the Cambridge estimate corresponds closely to the net budgetary contribution of £780m shown in January for 1979 in the British Government's Public Expenditure White Paper.

NET CASH RECEIPTS AND PAYMENTS BETWEEN EEC MEMBERS

(£ million)

	Net budget receipt	Net trade receipt	Total net cash receipt
UK	−806	−317	−1,123
Germany	−570	−101	− 671
Italy	−114	−532	− 646
Belgium-Lux.	+312	−156	+ 156
Ireland	+254	+221	+ 475
Holland	+190	+441	+ 631
Denmark	+329	+289	+ 618
France	+114	+620	+ 734

Source: Cambridge Econ. Policy Review. April 1979. Published Gower Press

This, however, is only part of the total cost. It is the part which the Policy Review entitles "net budgetary receipts" (or cost). This depends simply on what each country pays into the EEC budget and what it receives back and makes up the first column of the larger table.

Net receipts

But there are also the net trade receipts (or costs) from agriculture. These are the costs incurred by member countries which import food from other members, because of the CAP, at higher than world prices. They also cover the benefits received by member states from being able to sell farm produce to other members at above world prices. The Policy Review has tried to calculate on a commodity-by-commodity and country-by-country basis these net trade receipts and costs; and the results are shown in the second column.

Italy, for instance, is estimated to be paying £500m in extra farm trade costs over the exchanges—even more than the UK—through having to purchase food at artificially high prices. France, not surprisingly, has the greatest trade gain from being able to sell to fellow members at CAP prices.

Obviously, there is a degree of estimation involved in calculating net trade receipts or losses. But the Cambridge authors have most decidedly not made the mistake of assuming that British importers for instance could buy what they liked from non-EEC suppliers at current world market prices. While adequate supplies of beef and grain are believed to be available, it is assumed that any attempt to buy up non-community sugar, butter and cheese in world markets would bid up the supply price to roughly twice present international levels.

Thus the total cash receipts or gains of each country shown in the third column of the large table, is the sum of the budgetary and trade effects. The UK pays £800m to the Community budget and a further £300m across the exchanges for dearer food, making the total cash and foreign exchange drain over £1.1bn. France, on the other hand, gains over £100m from the budget and over £600m in net agricultural trade receipts, giving a total receipt of over £700m. Belgium (with Luxembourg) gains over £300m in the budgetary swings but loses over £150m in the trade roundabouts, ending up with a net receipt of about £150m.

The important logical point highlighted by the Policy Review is that the agricultural trade effects and the budgetary effects must be considered together. It does not make sense to consider the Budget and agriculture as separate problems to be dealt with by different politicians and officials sitting in different committees.

It is easy to show why this is so. Imagine, for instance, two member countries in all respects identical except that the one exports its agricultural surplus to non-Community countries and the other exports an identical surplus to fellow Community members. They would both obtain the same receipts. But the first country would secure all its benefits in the form of a budgetary subsidy to cover the difference between realised and CAP prices, while the second would benefit from a higher level of direct sales proceeds through being able to charge CAP prices to its Community trading partners. A benefit and loss calculation confined to the budgetary side would quite falsely show the second country in a much inferior position.

This apparently obtruse point has an important practical application. The so-called "green currencies" are not currencies at all but simply ways of insulating farm prices from the effects of exchange rates changes. The instruments used are the monetary Compensatory Allowances ("MCAs"). These are subsidies to ensure that the food import price paid by a country, such as the UK whose currency has depreciated a great deal since it joined the EEC, should be a good deal less (measured in a common currency) than the price received by the agricultural exporter in a country with an appreciating currency such as Germany.

It is helpful to take a purely hypothetical case and suppose that the price paid by the British consumer for German butter is 60 per cent of the price received by the German farmer. It makes no difference if this result is achieved by making the British importer pay the full CAP price and then giving him a subsidy, or by subsidising the German farmer directly so that he can sell at below the CAP price. The net result for the German farmer, the British consumer and for payments across the exchanges is the same.

Unconvincing

Yet the Brussels Commission has found itself publishing two sets of estimates, one on the assumption that the MCA's are a subsidy to the exporting country and the other on the assumption that they benefit the importer. The latter purports to show that the UK is not doing so badly after all. Without undue patriotism one can say that it is pretty unconvincing special pleading.

PER CAP. NET RECEIPTS COMPARED WITH PER CAP. INCOME

	Receipts (£ p.a.)	Income (% of unweighted mean)
UK	− 20	69
Germany	− 11	130
Italy	− 12	55
France	+ 14	113
Belgium-Lux.	+ 16	129
Holland	+ 45	120
Denmark	+124	136
Ireland	+158	48

Source: Cambridge Econ. Policy Rev. April 1979. Published Gower Press

The whole problem disappears under a framework such as that shown by the larger table in which both budgetary and trade receipts (or payments) are taken together. At present the MCA is paid to the exporting country. Under the pre-1976 system it was paid to the importer. If the old system were now in force, the UK's budgetary payments to the EEC would have been less, but its trade outgoings on farm account would have been higher. The so-called alternative calculation, insisted upon by some of the agricultural exporting countries, simply looks at the budgetary position in isolation from the trading side and achieves an appropriately ludicrous result.

The smaller table attempts to show the gains and losses of different countries in perspective. The UK is the biggest loser both in terms of total payment and in terms of payments per head. But considerations of population size make a big difference to the ranking of the gainers. France, which receives the largest absolute amount gains only £14 per head of population. On the other hand the country with the largest gains per head is Ireland, with £158, followed by Denmark with £124. These are respectively the poorest and richest members of the Community. The UK is also a relatively poor country now, with mean income of 69 per cent of the EEC average; and this adds to the grievances of being a financial loser.

How important is this net payment to the EEC? A sum of £1.1bn sounds a great deal; £20 per head sounds much less. As an approximate guide, it is equivalent to the cost of cutting the basic rate of income tax by 3p without any changes in the allowances or bands. So the sum is not negligible and has to be set against the limited impact which all past Government policies, to improve economic performance have had in the past.

Moreover, there is a danger of the pattern of transfers becoming worse. If MCAs were abolished so that the "green" exchange rate became identical with the market rate, the UK's net cash payment would rise to perhaps £1.3bn. Still worse there would be a 20 to 30 per cent increase in the wholesale price of foodstuffs subject to EEC levies. Even a compromise under which exporting countries moved to the German price level and importers faced no price increases, would widen existing differentials between losers and gainers.

The Cambridge writers go on to work out multiplier effects on output and employment in the losing countries on the assumption that demand is held back by balance of payments constraints. One does not have to follow them here. The sums are large enough without multipliers. Moreover an approach based on the balance of payments would not be helpful for the UK, as other countries would be able to point to Britain's advantage from North Sea oil. It is best to stick to total cash payments and relate them to national produce per head. The Cambridge writers have in some ways played down the costs of the CAP because they do not attempt to measure efficiency losses — not shown through payments over the exchanges—from CAP distortions.

Quite the wrong way to reform would be to attempt to increase other community budgetary spending to benefit non-agricultural countries. The effect would be a kind of inverse gearing. There is no close relationship between present budgetary and agricultural losses and the likely effect of an increase in, for example, regional aid. It would not, for instance, be a very good bargain for the UK to pay an extra £1bn to the Community to receive back say, £1.3bn, in regional funds. If the £1bn were simply a way of financing existing UK Government spending, there might be something to be said for it. But this is not the way international bureaucracies work; a lot of it would be a net addition to public spending, with the EEC looking around for even more industrial support projects over and above those already financed from London — with incidentally, the regional policy and the competition policy of the Community getting in each other's way.

Way out

The best way out is to hold down Common Agricultural prices as much as possible and to move to a system in which national governments support their farmers to a greater extent from their own national budgets as with the old UK deficiency payments. But pending such far-reaching reform a cash return from the winners to the losers (which could take the form of an offset to existing levy, and customs payments to Brussels) would be quite a good stop gap.

Samuel Brittan

Letters to the Editor

Free enterprise economy

From Professor D. Myddelton.

Sir,—I don't know why David Freud, in his interesting article on "underground economics" (April 9), should find it difficult to regard illegal transactions as contributing to welfare and output. Surely the normal presumption is, that a voluntary exchange is expected to benefit both parties to it. Whether or not the exchange is legal is an entirely different question.

I find it difficult to regard government spending as contributing to welfare and output as much as it costs, though I hesitate to suggest what average discount would be appropriate. No doubt much of it is "legal"; but, being mainly financed either by taxes or by inflation, government spending can hardly be called "voluntary."

Perhaps it should be emphasised that the "black economy" (which I prefer to call the "free economy") is free not only of taxes but also of the overwhelming bureaucracy which threatens to destroy the productive sector. I hope Sir William Pile will pay urgent attention to the problem so graphically described by my colleague John Constable (April 4) concerning the Inland Revenue's proliferation of stationery.

D. R. Myddelton.
Cranfield School of Management, Cranfield, Bedford.

Distorted by moonlight

From the Parliamentary Officer, National Federation of Self-Employed and Small Businesses.

Sir,—David Freud (April 9) is right to state that there has been "remarkably little research" into "underground economics." He fails, however, to establish three vital points.

The full-time self-employed person is more easily identified and investigated by the Revenue than the employee who is moonlighting. This leads to an imbalance in the evidence available and results in a distorted picture of the self employed.

The self-employed person who evades tax is guilty of just that: evasion of tax. On the other hand, the employed moonlighter is often guilty of theft, namely theft of his employer's materials and in some cases time.

The moonlighter often provides, for want of a better phrase "unfair competition" to the full-time self-employed trader. The latter is probably registered for VAT, is wide open to investigation by the Revenue and has all sorts of overheads imposed either by statute or by the very fact that he is in business full time. On the other hand the moonlighting employee using his employer's materials, often in his employer's time, with no overheads, no statutory costs and no intention of declaring a single penny, can radically undercut the full-time small business. While we welcome competition in general, we find competition of this nature rather galling, especially when viewed against a background of VAT raids and in-depth tax investigations.

John Blundell,
Press and Parliamentary Office, 52 Shaftesbury Avenue, W.1.

Investment in steel

From Dr. J. M. Kay.

Sir,—Mr. Pepper (April 10) is quite correct in stating that plasma steelmaking is at best only in the laboratory stage and offers no immediate solution to the problems facing the British steel industry. He makes the mistake, however, of implying that the well-established electric arc furnace process can only operate with a scrap charge and that, because of the limited availability of scrap, there is therefore no alternative to the traditional coke oven/blast furnace/hot metal converter route for the production of tonnage steels.

In fact there is now a complete alternative technology available for the competitive production of "bulk steel" products on a medium-tonnage scale. The past decade has seen the successful establishment of the direct reduction process for the production of sponge iron, and the development of the electric arc furnace to use a high proportion of sponge iron in the charge for the production of good quality tonnage steels. Improvements in the technique of continuous casting, together with recent developments in rolling-mill technology, fit conveniently together into this picture to strengthen the economic case for the medium-tonnage alternative with a typical unit throughput capacity of around 1m tonnes per year.

With the rapid escalation of capital costs for large conventional hot metal plants, and with their lack of flexibility under varying operating conditions, steelmakers in many countries are becoming disenchanted with the claims advanced for the "economies of scale." Actual operating experience in Europe with recently constructed 14 metre blast furnaces has not been particularly encouraging. The Redcar plant may well come to be viewed in retrospect as a dinosaur-type development doomed to extinction by its excessive size and cost and its lack of adaptability to changing market requirements.

(Dr.) J. M. Kay.
Church Farm, St. Briavels, Nr. Lydney, Glos.

Attracting industry

From Mr. A. Mackenzie

Sir, — The announcement (April 5) that Scotland has lost the £40m microelectronic plant to the Irish Republic illustrates why Scotland needs self-government. With a Government dedicated to promoting industrial development, Ireland achieves an industrial growth rate two to three times that of the UK.

The Irish Development Agency has full autonomy and can offer a comprehensive package involving growth towards fixed assets, development costs, training and loans and equity participation. And of course low tax rates. The Isle of Man too has been successful in attracting new companies, in various technological fields, with high added-value content.

In Scotland, by contrast, the Scottish Development Agency is working with one hand tied behind its back. While it can offer equity and loan packages, it is the London-controlled Department of Trade and Industry which deals with investment grants.

Why did Mostek executives have to visit London to see DTI civil servants? And how can the DTI justify refusing to give the company the usual 20 per cent grants on the first phase of the project, on the grounds that it could not be considered as manufacturing? Investment in research and development facilities is a major part of any innovative manufacturing operation. Was the real reason that the National Enterprise Board didn't want a competitor to its brain-child, INMOS?

Eire and the Isle of Man show that "small is beautiful," that Governments can encourage industrial growth by the right kinds of flexible assistance organised through agencies which communicate easily and make quick decisions.

If we seek to challenge countries such as Ireland, somebody is sure to ask "where will Scotland find the money to compete with Ireland's assistance schemes?"

The answer ought to be that this is exactly the use to which one of Scotland's resources, "North Sea oil," should be put. Tax revenues from oil will soon be running at £1bn per year but the resource is being squandered on financing the EEC, on paying huge interest rates to foreign Gilt buyers for financing the Government's massive borrowings, and on repaying past loans necessitated by improvident Government expenditures.

The trouble is that the Scots have grown so used to London lunacy that they no longer protest. Hopefully this Mostek case may make them think again, and resolve to take control over their own affairs.

Alaister Mackenzie,
22a, Rutland Square, Edinburgh.

Development of the hydrogen fuel cell

From Mr. F. Bacon

Sir,—I have only just seen the letter from Dr. Maurice Gillibrand (March 5) under the heading "Hydrogen fuel cell." He very kindly referred to my work on this subject, which was finally closed down in 1973; the task of converting the fuel cell into a commercial proposition appeared to be beyond our powers.

The National Research Development Corporation, however, had, some years earlier, made arrangements, first with the Leesona Corporation in the U.S., and then with the United Technologies Corporation (UTC), formerly Pratt and Whitney Aircraft, of South Windsor, Connecticut. It is very fortunate that UTC has been entrusted with the development and manufacture of a number of fuel cell units for use in the space programme, first for supplying the electrical power in the command and service module in the Apollo moon shots, and more recently for the space shuttle and space tug. This has provided it with invaluable experience. It is now engaged in the development of much larger units, which will use a hydrocarbon fuel and air, instead of pure hydrogen and oxygen; these are intended for the local generation of electricity and the plan is to install them on substation sites in cities. It is hoped that eventually they will be operated as "total energy units," the waste heat, which is inevitable in any energy conversion process, being used for space heating, etc., in surrounding buildings; thus a very high overall efficiency should be possible. Initially, the fuel will be either natural gas or naphtha but the hope has been expressed that it will be possible later to use coal; in the latter case, the size of the plants would be much larger and they would be situated away from big cities, thus making it difficult to use the waste heat.

When I was in the U.S. last May, I was privileged to see the 1 megawatt fuel cell installation at the works of United Technologies—a sight I shall never forget. It was equipped with a specially designed inverter, and was feeding power into the local electricity grid over a period of 1,069 hours in 1977, generating a total of 698,000 kWh. UTC is now in process of developing a 4.5 MW fuel cell unit, and the plan is to instal this as a demonstration unit on a site on Manhattan Island, New York City, in 1980. The Electric Power Research Institute and the Department of Energy are assisting in this great project; and Consolidated Edison Company of New York has been chosen as the host utility for the demonstration. I hope and pray that it is a great success, both technically and commercially.

My impression is that authorities in the UK are waiting to see whether our American friends can convert the relatively simple hydrogen/oxygen fuel cells into units suitable for commercial use; I have great faith in the final outcome.

Propulsion of road, and perhaps even rail, vehicles by means of fuel cells is an even more difficult proposition, but many people are now giving this careful thought. It has perhaps been brought a little nearer by the excellent work being done by Brookhaven National Laboratory, Upton, NY, and other organisations, on storage of hydrogen in the form of a metal hydride. A splendid effort is now being made by Daimler-Benz in Stuttgart, West Germany to put this into practice, hydrogen being used in a conventional internal combustion engine; a number of road vehicles have been converted to run on hydrogen, and the hope is that much city traffic could be fuelled in this way, especially in areas where atmospheric pollution has become a serious problem. Another incentive is the fact that Germany has no indigenous supplies of hydrocarbon fuels. The hydrogen would either be produced direct from coal, or else by the electrolysis of water, using power from conventional or nuclear power stations. Once again, everyone is, I think, waiting to see if it is a success, both technically and commercially.

How much better if hydrogen fuel cells could be used instead of internal combustion engines; the increased efficiency could lead to a doubling of the range, which is at present rather limited. Can the remaining obstacles be overcome? Perhaps the most serious obstacle is still cost.

It is sad that so much pioneering work of this kind is now being done in other countries, especially of course in the U.S. We led the world in many fields of technology in Victorian times; now the leadership seems to have passed to other countries. Why is this?

Francis T. Bacon.
Trees, 34, High Street, Little Shelford, Cambridge.

Today's Events

GENERAL

UK: Mr. James Callaghan visits Oxford; addresses party meeting in Cinderford, Gloucestershire.

Railway workers' pay talks resume, London.

Construction workers' pay talks resume at the National Federation of Building Trades Employers, London.

Confederation of Engineering and Shipbuilding Unions meet, Imperial Hotel, London.

Sir Derek Ezra, National Coal Board chairman, speaks on problems of efficiency in industry at National Materials Handling Centre lunch, London.

Sir Kenneth Cork, Lord Mayor of London, takes salute at passing-out parade of the Army Catering Corps Apprentices College, Aldershot.

Rt. Rev. Gerald Ellison, Bishop of London, preaches Maundy Thursday sermon at St. Lawrence Jewry next Guildhall, 1.15.

Overseas: Der Spiegel publishes interview with UK Ministers on attitudes to European Economic Community.

COMPANY RESULTS

Final dividends: Automotive Products. Beauford Group. Berwick Timpo. Bowthorpe Holdings. Brown and Jackson. Carpets International. Coral Leisure Group. Green's Economiser Group. New London Properties. Oil Exploration (Holdings). Richards and Wallington Industries.

COMPANY MEETINGS

Adams and Gibbon, 63-93 Westmoreland Road, Newcastle upon Tyne, 11. J. H. Braime, Ingham Street, Hunslet, Leeds, 3.15. Bridgewater Estates, Midland Hotel, Manchester, 12.15. General Funds Investment Trust, Regis House, King William Street, EC, 12.30. St. Andrew Trust, 29 Charlotte Square, Edinburgh, 12.30.

LUNCHTIME MUSIC, London

Organ recital by Professor Gordon Phillips at All Hallows-by-the-Tower, at 12.15 and 1.15.

Hawker Siddeley sales and profits well ahead

SALES UP from £912m to £1.01bn and pre-tax profits of £118m compared with £103.7m, are reported by the Hawker Siddeley Group for 1978. First-half profits had risen some £10.2m to £55.6m.

Sales and profit for 1977 included £83m and £8.7m respectively for four months from former UK aerospace subsidiaries prior to nationalisation.

Earnings per 25p share are shown at 26.6p against 26.1p and the final dividend is 2.4578p lifting the total from 4.1192p to 4.5625p.

An analysis of sales and trading profit (in £m) shows electrical engineering contributed £432 (£336) and £38 (£36.2); mechanical engineering, £407 (£317) and £53.2 (£41.6) and Hawker Canada £168 (£176) and £14.5 (£13.2). The 1977 figures exclude the former aerospace offshoots.

There is also an extraordinary profit of 27.4m for the year being a net surplus of £33.5m arising from the excess of the compensation over book value of shares in the former aerospace companies and an exchange loss of £7m.

The results also show the effect on attributable profits—£52.3m—of SSAP 15 and inflation accounting. On the deferred tax basis, attributable profit is increased to £70.9m and inflation adjusted, the figure is £39.6m.

At December 31, net cash in hand of the group amounted to £153.2m (£98.9m).

	1978 £m	1977 £m
Sales*	1,007	912
Trading profit†	105.7	91.0
Interest receivable	5.6	2.6
Receivable on compensation‡	6.8	1.5
Profit before tax	118.0	103.7
UK tax	50.2	34.7
Overseas tax	8.8	11.2
Net profit	57.9	49.1
Minorities	5.6	3.0
Profit§	52.3	46.1
Attributable	52.3	50.0
Extraord. credit	27.4	¶10.0
Dividends	9.3	8.3
Retained	70.4	37.3

* Including direct exports £361m (£295m) † After depreciation £13.7m (£12.7m). ‡ Following nationalisation of Hawker Siddeley Aviation and H. S. Dynamics. § Of former aerospace companies. ¶ Debits.

HIGHLIGHTS

Lex looks at the result of the latest gilt edged tender issue, which has led to allotment above the minimum price, and considers the position of the stock market in the light of the Conservative manifesto and latest developments on the currency front. Yesterday was also a busy day for company news. Comment is made on **Hawker Siddeley's** rather strong balance sheet but stagnant profits trend, and **W. H. Smith** disappointed the market with unchanged profits and the price fell 21p despite the jump in the dividend payout. **Babcock and Wilcox** profits are up 23 per cent despite further provisions against losses at Hardstock. Lex also looks at the Take-over Panel's conclusions on **Rockwell's** market buying of **Wilmot Breeden**. Elsewhere the insurance scene is represented by full-year figures from **Guardian Royal Exchange** and **Eagle Star**, while insurance broker **Matthew Wrightson** produces figures in line with expectations. **Empire Stores'** profits are a little short of market hopes and **Glynwed's** profits are up 23 per cent. **UDS Group** makes a sizeable property revaluation and **Bellway** reveals details of its plan to split into two.

Uproar at St. Piran meeting

BY JAMES BARTHOLOMEW

Shareholders reacted angrily yesterday when Mr. Henry Hodding, chairman of Saint Piran, closed the EGM immediately after reconvening it yesterday, *refused to answer any questions* and left the room.

One shareholder called out: "This is a disgrace" and another "You can't blame us for drawing our own conclusions."

Mr. Max Lewinsohn, leader of the dissident shareholders, appealed for calm as they went saying: "We don't want a bun fight here." He and three of his colleagues who had been proposed as replacement directors of the company two weeks ago, then took the seats on the podium, placed name cards in front of themselves and proceeded to conduct a meeting of their own.

Mr. Lewinsohn told shareholders that the men who had just left had doubtless been advised that they were the lawful directors of the company. But he and his colleagues had also been advised that they were the lawful directors. This could cause difficulties in giving instructions to such people as banks and auditors he said. That was why he had served writs on Mr. Hodding and his colleagues at the beginning of the half-minute meeting.

The writ asked for interim relief in the form of an order so that the company could be run by independent receivers and managers until the question of who were the rightful directors was resolved by the court. The doubt arises out of the fact that Mr. Lewinsohn has challenged the validity of proxy votes cast at the EGM. If these votes were discounted then the motions to remove the existing Board would have been carried.

A spokesman for Barclays Nominees asked for the reservations about the poll expressed by the company's auditors to be read out at the meeting. A Turquands, Barton and Mayhew representative read out a passage from his report in which the accountants said they could not express an opinion as to the validity of certain votes.

Barclays Nominees also asked whether the attention of the Stock Exchange or the Take-over Panel had been drawn to the poll. Mr. Lewinsohn replied that he believed both bodies were investigating the matter.

Mr. Lewinsohn asked the company's registrar if he had copies of the proxies with him. The registrar replied that the question should be addressed to the board.

"How do you know which is the board?" said Lewinsohn. He said he believed the registrar did have the proxies with him and could they be shown? The registrar said: "I am afraid I must leave the meeting," and departed.

W. H. Smith net earnings jump

WITH A £566,000 improvement in taxable profit in the final four months W. H. Smith and Son (Holdings) was able to hold the surplus for the 53 weeks to February 3, 1979, at £20.2m.

Retail sales by the distributor of newspapers, books, stationery, *etc.*, were up 23 per *cent* and wholesale sales were 15.9 per cent better leaving total group turnover higher at £474.1m against 393.8m for the previous 52 weeks.

Allowable capital expenditure and stock appreciation relief meant an abnormally low tax charge of £2.35m (£8.19m) leaving stated earnings per 50p share up 7p at 21.1p before, or up 6.3p at 20.4p after extra ordinary items.

There was a £561,000 extraordinary loss this time on the company's withdrawal from Sims, a joint retail venture in Holland with Elsevier Publishing Co.

Treasury consent has been given for a net total dividend effectively increased from 2.2016p to 3.133p by a final of 2.34p on 50p "A" ordinary.

After a slow start the Christmas trading period proved satisfactory but fell short of expectations. News sales, as for the wholesaling of newspapers, periodicals and magazines were hit by supply difficulties. Sales lost through industrial unrest exceeded £6m.

	1978-79 53 wks. £000	1977-78 52 wks. £000
Sales	474,131	393,786
Surplus prop. sales	780	1,010
Surplus redemptn.*	[illegible]	232
Depreciation†	4,841	[illegible]
To pension fund	1,437	1,478
Trading profit	19,607	[illegible]
Share assoc. losses	341	538
Net interest	924	644
Pre-tax profit	20,190	20,172
Taxation	2,345	8,190
Net profit	17,845	[illegible]
To minorities	10	5
Extraord. loss	561	—
Attributable	17,274	11,977

* Debenture stock. † Includes £0.72m (nil) on freehold properties.

See Lex

Baird sells off Dawson stake

William Baird has raised £13.8m from the sale of its 22.5 per cent holding in Dawson International to a number of institutions.

According to Baird, past tax losses arising from the closure of mining operations in Sierra Leone in 1975 mean that the capital gains tax payable is unlikely to exceed £1m.

The sale marks the end of a long association between Dawson and Baird. It follows Baird's unsuccessful bid, late last year, to acquire the whole of Dawson's capital.

YEN LOANS

Alliance Investment has arranged a new six-month loan of Y250m with Manufacturers Hanover Trust, and Foreign and Colonial Investment Trust has arranged Y1.1bn with Williams and Glyn's Bank.

Babcock advances 23% after overseas boost

TAXABLE profits of Babcock and Wilcox, the engineering and contracting combine, jumped 23 per cent from £32.3m to £39.6m in 1978. Turnover rose 18 per cent from £656.7m to £777.7m.

Sir John King, the chairman, says the growth of the group's business was entirely in overseas markets, the result of increased exports by UK companies and improved activity by overseas subsidiaries.

Exports which totalled £153m, against £82m, accounted for 39 per cent (24 per cent) of the combined turnover of the UK companies. Taking the total of exports and sales by overseas companies, 69 per cent, compared with 61 per cent, of group turnover was in markets abroad.

But the strength of sterling reduced group turnover by £15.3m and taxable profits by £1.5m. The figures include £0.99m (£2.01m) profit from an investment sale, and £0.93m (£0.94m) of previous year's profits.

On prospect Sir John says provided there is no deterioration in world economic conditions he forecasts a successful year.

He adds that a strong performance by Acco Industries, formerly American Chain and Cable Company, enabled the group to make a relatively good start to the current year despite the UK lorry drivers' strike and the bad weather.

The group started 1979 with uncompleted orders in hand of £878m, compared with £642m at the beginning of 1978. The value of orders booked last year jumped 35 per cent to a record £1.04bn.

Sir John says the results were achieved against what was in many respects the worst business climate of recent years. The UK economy remained weak and turnover in the home market fell. There was also an increasing incidence of industrial unrest as the year progressed.

Overseas, with the notable *exception of* North America, sluggish conditions continued. The chairman points out that the decision to enter the North American market proves to have been sound, and encourages the search *for* further investment opportunities in that area.

In January this year the company reduced its investment in CIF Babcock Fives from 21 to 4.4 per cent. The £6m profit from the sale will be treated as an extraordinary item in the current year.

A final dividend of 2.9313p net per 25p lifts the total from 5.25p to 5.8625p. The dividend is covered four times (4.3) and stated earnings per share are ahead from 22.5p to 25.3p.

Because of the group's international bias the directors are proposing to change the company's name to Babcock International.

	1978 £000	1977 £000
Turnover	777,707	656,668
Trading profit	39,733	31,586
Invest. & other inc.	1,893	2,980
Interest payable	5,052	5,919
Share of associates	2,981	3,628
Profit before tax	39,555	32,275
Tax	14,774	11,476
Profit after tax	24,781	20,799
Minorities	144	191
Exchange losses	2,697	4,675
Pref. dividends	66	68
Attributable	21,974	15,867
Ord. dividends	6,151	4,790
Retained	15,823	11,077

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Adwest ...int.	3.9	—	3.5	—	10
Armitage Bros.	17.97	—	16.09	17.97	16.09
Babcock and Wilcox	2.93	May 29	2.89	5.86	5.25
Bradwall (F.M.S.) int.	1.7	June 9	1.7	1.7	1.7
Christies	3.25	May 30	2.27	4.5	3.31
Clark Nicholls	1.21	July 23	1.07	2.19	1.96
Croda Intl.	1.35†	June 14	1.19	2.43	2.19
Eagle Star	3.5	June 15	3.13	6.84	6.17
Empire Stores	2.91	June 13	2.6	5.39	4.86
J. England Sons	1.02	—	1.06	1.42	1.42
Ferry Pickering ...int.	1.38	May 18	1.25	—	2.84
General & Comml. Inv.	4.27	May 29	3.82	6.87	5.82
Glynwed	6.7	July 2	5.75	8.2	8.2
Guardian Royal	6.94	June 7	5.93	11.6	10.25
Hawker Siddeley	2.46	July 5	2.2	4.56	4.12
Horace Cory	0.38	May 23	0.34	0.75	0.68
Kalamazoo ...int.	1.11	May 21	0.93	—	2.04
Lead Inds.	4.93	July 2	4.37	8.23	7.37
Lec Refrigeration	1.85	June 2	1.64	2.9	2.59
Matthews Wright	7.46	July 2	5.97	11.05	9.19
Stanley Miller	0.7	May 31	0.75	1.2	0.75
Morris and Blakey	2.83	—	2.36	4.58	4.11
N. Atlantic Secs. ...int.	1.2	May 29	1.2	—	2.1
Owen Owen	2.5	June 15	2.24	3.19	2.89
Portals	4.94	July 2	4.38	8.79§	7.88
Sanderson Kayser	2.91	July 2	2.91	4.38	4.38
W. H. Smith	2.34¶	July 9	1.49	3.13	2.2
Taylor Pallister	3	June 1	2.98	4.5	4.48
Walker and Homer int.	Nil	—	0.45	—	0.9

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Total of 11p expected. § Includes 0.09762p for tax charge. ¶ On capital increased by scrip and share split in November 1977.

Bellway plans to split group

Shareholders in Bellway Holdings, the Newcastle based housebuilder *and property developer*, are being asked to approve a division of the group into its separate halves the day after the General Election.

Meanwhile interim figures have been produced, showing a £700,000 increase in pre-tax profits on the housebuilding activities, and a mere than doubled pre-tax income from the commercial property division.

The division plan involves the creation of two new companies —North British Properties absorbing the commercial development division, and Bellway Limited, housing and related trading. Shareholders would receive one new share in each company for every two shares they currently hold in Bellway Holdings.

Total dividends are planned to increase by 46 per cent, split between Limited 6.5p and North British 2p. Since both companies qualify as new entities, next year's dividends would also be free of restraint.

Bellway's board explained yesterday in a 62-page document that the main reason for the split was the opportunity to reveal the underlying asset values of both divisions, at present depressed by the fundamentally different bases of comparison.

Coupled with new valuations, the property company should have a net asset value of 132p, excluding the half interest in Cramlington New Town, informally put at £1m. The housebuilding company should show assets of 72p a share even including the 3-year land bank at cost—£4.3m compared with a market value of £14m.

The Board also cited the difficulties of managing a corporate structure in which the two divisions had different funding requirements and produced very different management problems.

In fact, the family is divided between those who regard themselves as housebuilders and are *reluctant to see retained* earnings turned into long-term commercial property assets, and those who believe the underlying assets are undervalued in the market because the group is currently judged on the earnings performance of housebuilding groups.

The Board and their families, who control 55 per cent of the shares, will therefore support the division.

Pro forma interim figures show that housing sales in the six months to January remained static—a factor attributed to the weather conditions in December and January but pre-tax profits rose by £700,000 to £1.7m.

Demand for houses is said to be firm at present but the Board will not commit itself to an estimate for the whole year.

• comment

Bellway's interim performance is solid rather than impressive. Half the improvement has come from property sales while housing sales have been hit by four continuous months of bad weather so the full year performance can noly be flat. But market interest is bound to be focused less on these fundamentals than on the opening price of the two new companies, if the scheme is approved, and the opportunity these could provide for take overs. The housing company, for instance, has a considerable land-bank at a time when many builders are pinched for land for new estates. The property company has a clean, low-geared portfolio already producing rent reviews and with a well-funded forward development programme. Still that is a gamble. The market is meanwhile digesting the documents and the shares rose only 4p to 110p yesterday.

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£3m increase for Glynwed

FROM increased turnover of £316.44m against £285.44m, profits before tax of Glynwed increased from £13.03m to £16.08m in 1978.

With midway profits showing a rise from £6.1m to £8.46m, the directors said profits for the second six months should be at least equal to those of the first half.

Basic earnings per share are shown at 17.81p against 13.93p and 17.38p (13.6p) fully diluted. The final dividend is 6.7p raising the year's total from 8.2p to 9.15p.

The group makes engineering and building products and trades as steel stockholders and distributors.

	Year 1978 £000	1977 £000
Turnover	316,437	285,4[illegible]
Trading profit	19,978	16,559
Interest payable	3,898	3,532
Profit before tax	16,080	13,027
Tax	4,334	3,954
Net profit	11,746	9,072
Minorities	91	47
Extraord. debits	727	680
Pref. dividends	70	70
Ordinary dividend	6,973	5,283

● **comment**

The market had been pinning its hopes on at least £17m last year but, after the long Ford strike and disruption at the Wednesbury tube operation last autumn which cut profits by around £1.3m, Glynwed's improvement of only 23 per cent may not be quite so disappointing as it seems. Loss elimination in Vogue bathrooms and the parts of Cashmore sold to British Steel Corporation were probably worth around £2m in aggregate last year and a further £600,000 may come through in 1979 as Glynwed reduces its commitment to automotive castings. Costs relating to the closure of the foundries at Larbert and Sinclair have already been taken below the line. The current year holds many imponderables but the upturn in South Africa, higher by almost 48 per cent before interest and tax, is expected to continue as rationalisation is taken a stage further and the full benefits of the recently acquired consumer durable division come through. The shares climbed 1p to 119p where the p/e is 9.7. That may be high enough for the moment but a yield of 12.2 per cent offers a considerable degree of support.

£0.6m leap at Clarke Nickolls

WITH second-half profits jumping from £360,259 to £1,001,976, Clarke Nickolls and Coombs turned in a record taxable surplus of £1.16m in 1978, against £515,596 previously.

After tax of £423,782 (£299,676), earnings per 25p share of this property investment and development concern are shown to have risen from 4.82p to 14.87p.

The net total dividend is stepped up from 1.9609p to 2.1897p, with a 1.2059p final. Attributable profit came through at £712,020 compared with £264,255.

Insurance figures lift Matthews Wrightson

INSURANCE profits up by £2m enabled Matthews Wrightson Holdings to finish 1978 with record taxable profits of £10.93m against a previous £8.23m, a rise of 33 per cent. Turnover was up from £62.7m to £67.6m.

At halfway profits had advanced from £3.38m to £4.77m.

Mr. Gordon Henry, chairman, says that over-capacity in world insurance markets and the consequent reduction of premium rates creates a more difficult environment in 1979. In the longer term, however, the group's position in North America gives directors considerable opportunities.

On the shipping side, Galbraith's shipbroking profit was down slightly from £1.47m to £1.16m and the chairman says that the group's interests in this field must continue to be affected by the difficult conditions in the world shipping market.

Earnings at the year end are shown as 30.37p per 20p share compared with 19.7p, before extraordinary items, and 28.28p (18.61p) after the same. The dividend is stepped up to 11.055p (9.1852p) net with a final of 7.4597p—Treasury consent has been obtained.

After tax £5.14m (£4.23m), including overseas £2.5m (£2.07m), minorities and extraordinary debits of £886,000 (£390,000), the attributable balance emerged some 45 per cent higher at £4.13m against £2.86m.

Included in the extraordinary debits were £431,000 (£437,000) net unrealised exchange losses on long term assets and liabilities and a £232,000 contribution this time made by a subsidiary in settlement of an insurance dispute.

In the insurance group Stewart Wrightson's brokerage income was up by 14 per cent from £36.4m to £41.64m and profits rose 19 per cent to £7.86m: the chairman says that if exchange rates had remained constant through 1977 and 1978, profits would have been £8.34m.

A provision of £804,000 (£1.65m) was made in the year against outstanding debts relating to claims which proved difficult to collect. A general provision against future bad and doubtful debts has been created, the chairman states.

On the shipping side the decline in value of the U.S. dollar, in which currency the bulk of the income is earned, also affected Galbraith's profit.

Losses accruing to this company on the three oil tankers subchartered to the partnership of Norwegian shipowners amounted to £549,000. The vessels which were laid up for most of 1978 are now chartered by the partnership on terms which are more favourable than lay-up, Mr. Henry says.

At the AGM in June the directors propose to change the group's name to Stewart Wrightson Holdings.

● **comment**

Latest results from Matthews Wrightson are much in line with expectations, unlike many of the companies in the sector which have reported recently. However, the spectre of the Norwegian shipping problems still looms over the group. The charter payments made by a consortium of Norwegian shipowners are at levels which have increased the losses of ship operating by £173,000. But a renegotiated arrangement is in the pipeline. The other item that could have a bearing on future profitability is Wrightson's intention to create a general provision for the insurance broking companies against bad and doubtful debts. In the last year the provision to bad and doubtful debts fell from £1.65m to £804,000, although £232,000 contribution in settlement of an insurance dispute is shown as an extraordinary item. Nevertheless, the group could achieve £12m pre-tax in the current year, so the shares at 203p, with a yield of 8.4 per cent, and a historic p/e of around 7, could find support.

Armitage Bros. profit rise

For the year 1978, profits of Armitage Brothers rose from £441,000 to £578,000, the interest charge having been reduced from £80,000 to £37,000.

After tax of £142,000 (£30,000), the net profit came out at £436,000, against £411,000, for stated earnings of 109p (103p) per £1 share. The net dividend is stepped up from 16.09p to 17.97p.

The company makes pet foods.

Empire Stores well ahead and confident

As expected, both sales and profits of Empire Stores (Bradford) showed increases in the year ended January 27, 1979 and the directors say satisfactory progress has continued during the first months of the current year.

Sales (excluding VAT) increased from £93.34m to £109.23m and profits before tax were £8.11m against £6.89m.

Stated earnings per 25p share are 13.97p compared with 12.74p. The final dividend is 2.90847p lifting the total from 4.864064p to 5.38747p.

Directors are also proposing to increase the authorised share capital from £8m to £10m and make a one-for-five scrip issue.

	Year 1979 £000	1977 £000
Sales	109,232	93,344
Trading profit	8,397	7,370
Income receivable	114	44
Interest payable	402	527
Profit before tax	8,109	6,887
Tax	4,309	3,627
Net profit	3,800	3,260
Interim dividend	674	604
Final dividend	791	720

● **comment**

Empire's underlying sales growth of 18 per cent for 1978-79 is much in line with the average for the mail order sector but just short of Freemans' figures for the same period. The 18 per cent profits rise is slightly short of market expectations however. Part of this is due to the severe January weather but Empire is also only just coming to the end of its programme to computerise accounting procedures for its 350,000 agents—and this has thrown up some unexpected expenses. With double running costs, this major investment has probably been responsible for slowing growth in recent years but the benefits should now start coming through. At 230p the shares are on a p/e of over 16, while the yield is 3.8 per cent—a rating which anticipates further growth.

Lec falls in second six months

A SECOND half fall from £773,489 to £666,160 left taxable profits of Lec Refrigeration behind at £1.56m for 1978 against a previous £1.64m. Turnover was little changed for the year at £26.85m compared with £26.7m.

Ater tax of £786,041 (£836,669) earnings are shown to be just down at 12.82p (12.91p) per 25p share. The dividend is stepped up from 2.5942p to 2.89685p net with a final of 1.84522p.

There was an extraordinary debit for the year of £115,000 relating to the estimated losses incurred following the cessation of production at the group's Londonderry, Northern Ireland, factory in September 1978.

After this and dividends, net of waivers, £148,137 (£123,624), retained profits came through at £513,982 against £657,196.

Adwest Group profit up £0.3m in first half

INCREASED first half profits are reported by the Adwest Group of engineers and with order input ahead of last year, the directors expect a further improvement in profit for the year to June 30, 1979.

Profits in the first half rose from £1.96m to £2.26m after interest of £61,000 (£62,000) but before tax of £1.18m against £1.02m and minorities of £36,000 (£27,000).

The interim dividend is lifted from 3.5p to 3.85p and the board expects to pay a final of 7.15p to make 11p for the year—the previous total was 10p from pre-tax profits of £6.7m.

The directors say that Burman and Sons and Anciens Etablissements Bowden SA, acquired last July, each contributed to the improved result which was achieved despite significant industrial relations problems affecting customers.

● **comment**

Initial contributions from two acquisitions added in around £80,000 of Adwest's £294,000 increase in interim pre-tax profits. The general engineering division which makes, amongst other things, circulating pumps for central heating units, put in a good performance. The next largest division in terms of sales, the automotive sector, was *hit slightly by the Ford strike* but it sells to all UK manufacturers and also into Europe so the impact was not great. The electrical division showed up strongly against a relatively depressed first half of 1977/78 and the agricultural equipment activities turned in a steady result. *Prospects* are good for the rest of the year and a pre-tax figure around £8m looks possible. The shares, at 336p, *have a fully* taxed prospective p/e of 7.6 and a yield of just under 5 per cent. The rating reflects the immediate prospects.

Bibby dividend policy

Mr. Leslie Young, chairman of J. Bibby and Sons, said yesterday that if dividend controls were removed, his company *would* contemplate raising its dividend to bring its dividend cover more in line with the industrial average.

Bibby's 1978 dividend was covered 7.95 times, compared with an average cover among *industrial companies of 3 to 3½* times.

Mr Young said Bibby hopes to make up the £700,000 lost during the transport strike by the end of the first half, while for the whole of 1979 the group is looking for an advance on last year's *record* pre-tax profit figure of £8.4m.

Christies growth is 35%

FOLLOWING the 40 per cent increase to £2.69m in the first half, profits before tax of Christies International rose 35 per cent to £5.63m in 1978. Turnover was up from £14.9m to £20.1m.

Profit is after *crediting* exchange profits of £249,000 (£63,000) net and charging £250,000 (£225,000) additional pension fund contributions. Last year there were also £100,000 leasehold improvements.

Earnings per share are shown at 14.82p (10.46p) and the final dividend is 3.25p lifting the total from 3.9088p to 4.5p.

Turnover for the year comprises commission and premium, £16.02m (£11.7m), valuation fees, £100,000 (same), catalogue sales, £804,000 (£537,000), sale of graphics £732,000 (£407,000) and sales of print £2.45m (£2.2m).

The directors say the results reflect the *success* of the New York saleroom and to some extent the curbing of inflation.

The international art market is firm and several major sales are planned for London, New York and Geneva—thus the outlook for the first half of the current year is good, the directors say.

	Year 1978 £000	1977 £000
Turnover	20,103	14,893
Profit before tax	5,629	4,171
Tax	2,674	2,018
Net profit	2,955	2,153
Extraord. debits	78	—
Dividends	928	676
Retained	1,925	1,486

Companies and Markets

UK COMPANY NEWS

Overhead setback at Braithwaite

PRELIMINARY figures of Braithwaite and Co. Engineers indicate profits for the year to March 31 1979 in excess of last year's £1.1m. But the directors say these have been eroded by the under-recovery of overheads at the West Bromwich works.

They add that trading profit is unlikely to be more than was indicated in December. Pre-tax profits for the first six months were down from £464,381 to £317,549 and directors then anticipated that second half profits would be similar to the first.

The directors have decided that the West Bromwich works of Braithwaite and Co. Structual should cease production when existing contracts are completed. They say a serious under-recovery of overhead expenses is absorbing profits from the group's other activities.

Accounts for the full year will include an extraordinary item covering the estimated costs. Other factors have contributed to this setback, they add.

The directors are sure the group will be able to revert to a pattern of growing profitability.

Owen Owen reaches £2.95m

A DOWNTURN in second-half profits from £3m to £2.74m left Owen Owen, departmental store operator, with a pre-tax surplus of £2.95m for the year ended January 27, 1979, compared with £2.42m last time. Sales advanced from £86.72m to £102.46m.

In Canada, although sales in sterling terms were 8.2 per cent higher, profits decreased by 17.5 per cent. This reflects the further deterioration in the Canadian dollar exchange rate and the impact on profitability of recently opened stores which are still in the development stage.

Sales in the UK stores increased by 18.5 per cent and profits by nearly 22.5 per cent. Levels of consumer spending in the second half fell below expectations in the early months, while January trading was particularly affected by national industrial disputes and severe weather.

The shopfitting and contract furnishing subsidiary substantially increased profits from £67,000 to around £260,000.

Results of Suters have been consolidated from its date of acquisition last June.

Stated earnings per 25p share rose from 10.62p to 13.53p, before extraordinary items. The dividend total is stepped up to 3.1908p (2.8913p) net, with a final of 2.5008p.

Attributable profits were up nearly £1m to £1.92m, struck after a tax charge of £1.56m (£1.31m) including a full provision of £473,000 (£145,000) for deferred tax, minorities £181,000 (£172,000), and £717,000 extraordinary credits this time.

Extraordinary items comprise profits less losses on disposal of UK stores and the settlement of a Canadian expropriation claim.

Kalamazoo leaps 64% midterm

AN UNPRECEDENT 64 per cent jump in taxable profit from £1.27m to £2.09m was achieved by Kalamazoo Group in the 27 weeks to February 2, 1979. Normally the business and office systems company performs better in the second half than the first.

The result is before charging the Kalamazoo Workers Alliance bonus. External sales were up at £12.08m, against £9.91m for the 28 weeks to aJnuary 27, 1978, and margins were better at 17.2 per cent, compared with 12.8 per cent.

Before depreciation of £646,000 (£568,000) operating profit was 49 per cent higher at £2.73m.

The group's computer systems and services division contributed 25 per cent of profits. The directors now say that the company is on target and if this trend continues the second half should come close to last years' level. This would indicate growth from the 1977-78 fulltime record of £3.72m to around £4.5m.

The net interim dividend is stepped up to 1.11p (0.925) per 10p share and costs £204,555 (£186,480). Last time a 1.237p final was paid.

The KWA bonus is not calculated until after the year end.

John Finlan recovers to £180.150

A strong second-half lead to a recovery to 1975 profit levels at John Finlan, and the directors anticipate further improvement.

For 1978, there was a pre-tax profit of £180,150 compared with a £92,105 loss previously. At half-way, profits were lower at £20,866, against £36,063. Turnover for the year rose from £1.27m to £2.73m.

The directors expect current year profits to exceed those of 1978. They add that although results justify consideration of a dividend, it is thought prudent not to make a payment. In view of the current workload and performance, the directors will consider a dividend for 1979—no payment has been made since 1973.

There was a tax charge for the year of £66,124 (£40,015 relief). Earnings per 10p share are given as 3.13p compared with a 1.74p loss last time.

The group designs and constructs industrial and commercial buildings and develops industrial land.

Portals 10% rise: sees continued progress

TAXABLE PROFITS of Portals Holdings, liquid and water treatment engineer and security paper maker, rose 10 per cent in 1978, from £8.68m to £9.57m. Turnover, excluding inter-company sales, increased 7 per cent to £82.94m.

The directors believe that, despite the difficulties experienced in many markets — particularly the Middle East and Africa — progress in sales and profits will continue.

After tax for the year of £5.01m (£4.55m), basic earnings per 25p share are shown to have risen 4 per cent from 24.21p to 25.19p. The directors explain that this increase was restricted by the wider capital base after loan stock conversion.

Net asset value rose from 145p to 188p. The 30 per cent increase arises partly from the triennial property valuation which has shown a £6m surplus, some 35p per share, the directors say.

The total dividend is stepped up from 7.877p to a maximum permitted 8.79405p, with a 4.94405p final. The total includes 0.09762p in respect of the previous year arising from the tax change.

The extraordinary debit of £1.5m (£0.22m), includes a goodwill write-off of £1.25m arising from the acquisition last August of the Sulby Engineering Development Co.

The directors explain that the group's interest in Ion Exchange (India) was reduced to 40 per cent in January 1978, and from that date this interest has been treated as a trade investment.

The directors say that, in the water treatment and engineering division, turnover increased 7 per cent to £61.3m while profits rose 31 per cent to £4.31m, reflecting the forecast progress.

	1978 £000	1977 £000
Turnover	82,944	77,389
Papermaking	20,272	22,789
Water treatment and engineering	62,735	57,523
Property	*1,050	961
Inter-group and rents received	5,053	3,904
Profit before tax	9,568	8,678
Papermaking	5,080	5,179
Water treatment and engineering	4,310	3,298
Property	604	578
*Unallocated costs	408	377
Tax	5,006	4,551
Outside shareholders' interest	68	58
†Sundry item	—	77
Extraordinary debit	1,498	217
Attributable	2,994	3,927
Pref. dividend	32	32
Ord. dividend	1,557	1,337
Retained	1,405	2,558

* Net of interest receivable but including interest on 8 per cent convertible unsecured loan stock. † Ion Exchange (India) not attributable.

● comment

Portals has long seen a cyclical pattern in its bank note paper-making activities, but profits from this source could soon be breaking out of an 18-month plateau. The improvement is not expected to be particularly pronounced this year, but the trend is likely to accelerate in 1980 as various issuing authorities opt for a clean bank note policy. But papermaking accounts for only 57 per cent of profits, for water treatment and engineering provided almost all the 10 per cent pre-tax upturn. The group's ability to turn away low-margin contracts might be taken as an indication of the buoyancy of the water treatment market worldwide and prospects will be lifted by the new sales operation in Saudi Arabia, strong Australian order books and some success in by-passing political obstacles in Iraq. The Sulby bookbinding equipment acquisition may be worth £450,000 pre-tax this year and, even without this, it would not be surprising if the water treatment and engineering side became the senior profit contributor this this year. However, the shares at 266p, where the p/e is 10.5 fully taxed and diluted, and the yield is 5.3 per cent, might be starting to discount the next stage of paper-making growth.

Ferry Pickering over £0.6m

TAXABLE EARNINGS at Ferry Pickering Group, the printing, packaging and publishing concern, advanced by £186,000 to £607,000 in the six months to December 31, 1978. Consistent demand led to a satisfactory level of efficiency being maintained and sales improved from £2.67m to £3.33m.

At least similar growth is projected by the company for the second half. For 1977-78 profit was a record £0.96m, compared with £0.79m.

Tax of £316,000, against £219,000, for the halfyear left stated earnings per 10p share 2.08p ahead at 6.81p. The net interim dividend is stepped up to 1.375p (1.25p)—last time a total of 2.8431p was paid.

Britannia Arrow returns to profit in second six months

AFTER REPORTING a much reduced mid-year deficit of £38,000 against £2.94m last time, Britannia Arrow Holdings, formerly Slater, Walker Securities, returned to profitability in the second six months to finish 1978 with a pre-tax profit of £519,000 compared with a £3.72m loss in the previous year.

Turnover of this investment banking and unit trust management group was reduced from £11.4m to £6.54m. Investment management profits amounted to £2.04m against £1.68m, while overhead expenses and net interest payable fell by £3.7m to £1.97m.

Earnings per 25p share, before extraordinary items, are shown at 0.17p (5.23p loss). During the year the company resumed payment of the preference dividend together with all arrears due. Again no ordinary dividend is to be paid, although the directors anticipate a return this year — the last payments totalled 5.2565p net in respect of 1974 when £14.48m pre-tax profits were achieved.

Since the year-end, the company has sold properties for £3.36m and the directors have revalued these at this amount in the 1978 accounts. The net surplus on revaluation of £684,159 has been credited directly to

	1978 £000	1977 £000
Turnover	6,544	11,403
Invest. management	2,039	1,678
Invest. income	164	782
Invest. dealing	—	258
Property	289	*218
Overhead expenses, net interest paid	1,973	6,572
Exceptional debit	—	568
Profit before tax	519	*3,720
Tax†	233	37
Net profit	286	*3,757
Minority loss	1	—
Extraord. credits‡	3,285	2,666
Attributable profit	3,572	*1,091
Pref. dividend	§482	—
Leaving profit	3,090	*1,091

* Loss. † Represents net ACT written off on payment of preference dividend, £238,000 (nil); overseas tax £23,000 (£22,000); prior year adjustments £28,000 credit (£15,000 debit). ‡ Represents profits on sale of investments and group companies £2,047,000 (£1,195,000); reduction in provisions £666,000 (£1,715,000); profit on redemption of currency bonds including foreign exchange movements £566,000 (£185,000 loss); miscellaneous profit £8,000 (£59,000 loss). § Includes £323,000 arrears.

HOME CHARM

Home Charm has acquired the remaining 50 per cent of the capital of Home Charm Potton for £594,000 cash.

Home Charm Potton carries on business as home improvement, D.I.Y., decorating and furniture retailers from four stores trading as Texas Homecare. Its profits for 1977 were £181,909 and total shareholders funds stood at £274,128. It is estimated that profits for 1978 will not be less than £310,000.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1978							
1st qtr.	107.0	102.2	99	106.4	246.4	1,409	188
2nd qtr.	110.7	104.5	95	107.9	254.4	1,367	213
3rd qtr.	111.4	104.9	103	110.7	266.6	1,380	213
4th qtr.	109.6	102.5	113	111.7	273.0	1,340	220
Oct.	108.5	101.7	100	110.2	267.9	1,360	228
Nov.	109.4	102.3	130	110.5	269.7	1,339	231
Dec.	111.0	103.4	110	113.8	279.8	1,321	231
1979							
Jan.	104.4	94.9		108.6	273.1	1,339	236
Feb.				110.4	275.4	1,363	231
March						1,350	236

OUTPUT—By market sector; consumer goods, investment goods, *intermediate goods (materials and fuels)*; engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s; monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
1st qtr.	105.2	98.8	116.2	99.9	96.6	98.0	17.8
2nd qtr.	107.8	98.2	122.4	99.8	107.4	101.3	27.1
3rd qtr.	107.6	99.8	123.2	100.8	101.2	103.9	23.0
4th qtr.	105.8	96.2	123.0	95.8	97.5	101.2	20.2
Oct.	105.0	96.0	121.0	96.0	97.0	100.0	24.5
Nov.	106.0	96.0	122.0	95.0	93.0	103.0	20.7
Dec.	106.0	97.0	126.0	97.0	102.0	101.0	15.5
1979							
Jan.	100.0	94.0	118.0	94.0	79.0	95.0	10.1
Feb.							12.6

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
1st qtr.	119.6	113.8	−590	−361	−620	105.4	20.63
2nd qtr.	122.2	110.0	−173	+135	−414	104.5	16.75
3rd qtr.	124.9	114.4	−365	− 49	−501	105.7	16.55
4th qtr.	125.1	112.8	− 1	+359	−480	106.7	15.77
Nov.	122.6	114.1	−108	+ 12	−162	107.2	15.87
Dec.	126.7	113.0	+ 67	+187	−183	106.8	15.69
1979							
Jan.	113.1	107.3	−119	+ 1	− 60	107.7	16.26
Feb.	Not available due to industrial dispute						16.62
March							17.45

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate *(end period)*.

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
1st qtr.	24.3	23.8	17.5	+1,811	1,049	1,378	6½
2nd qtr.	8.5	15.7	24.5	+2,857	694	1,506	10
3rd qtr.	16.8	5.3	3.6	+1,114	746	1,541	10
4th qtr.	9.7	9.7	6.8	+1,487	878	1,576	12½
Nov.	12.1	10.7	9.9	+120	261	561	12½
Dec.	9.7	9.7	8.8	+826	254	507	12½
1979							
Jan.	13.6	16.4	21.3	+897	289	525	12½
Feb.	21.7	10.7	24.2	+1,070	231	531	14
March							13

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.3	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.5	147.1	157.3	202.6	208.0	257.69	62.7
Nov.	136.1	147.2	157.1	202.5	207.9	263.63	62.5
Dec.	138.1	148.2	158.3	204.2	210.5	257.89	63.2
1979							
Jan.	135.7	150.8	160.0	207.2	217.5	260.63	63.5
Feb.		152.0	161.7	208.9	218.7	267.36	63.7
March		153.8	162.9			268.83	66.1

* Not seasonally adjusted.

FOOD PRICE MOVEMENTS

	April 11 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton	1,090	1,090	1,090
British A.1 per ton	1,035	1,035	1,035
Ulster A.1 per ton¶	1,035	1,035	1,035
BUTTER			
NZ per 20 kg	14.11/14.24	14.11/14.24	14.11/14.24
English per cwt†	81.65	81.65	81.65
Danish salted per cwt†	85.10/86.35	83.10/85.85	83.10/86.02
CHEESE†			
NZ per tonne	—	—	1,300
English cheddar trade per tonne	1,455	—	—
EGGS*			
Home produced:			
Size 4	3.00/3.30	3.15/3.40	3.35/3.50
Size 2	3.30/3.60	3.40/3.60	3.60/3.70
	April 11 p	**Week ago p**	**Month ago p**
BEEF			
Scottish killed sides ex-KKCF	54.0/58.0	54.0/58.0	54.0/58.5
Eire forequarters	34.0/38.0	34.0/37.0	38.0/42.0
LAMB			
English	90.0/98.0	90.0/96.0	56.0/62.0
NZ PLs/PMs	48.0/50.5	49.0/49.5	48.0/49.0
PORK			
All weights	33.0/45.0	34.0/45.0	35.0/45.5
POULTRY			
Oven-ready chickens	39.0/41.0	38.0/39.0	37.5/39.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ Unavailable. ¶ For delivery April 14-21.

Gold Fields Group

MARCH QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

DEELKRAAL GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 99,540,000 shares of 20 cents each, fully paid.

FINANCIAL (R000's):	Qtr. ended 31/3/1979	*Qtr. ended 31/12/1978*	Total since inception of company to 31/3/1979
Capital expenditure:			
Mining lease	—	—	1,800
Shafts	1,590	2,289	54,743
Other capital expenditure	3,216	3,935	65,968
	4,806	6,224	122,511
Sundry revenue	685	797	10,113
Taxation	276	331	4,094
Loan levy	28	47	476
Loan levy refund	2	—	2

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R17.2 million. The unexpended balance of authorised capital expenditure at 31 March 1979 was R18.0 million.

OPERATIONS: There was an illegal six-day strike between 7 and 13 March 1979 by certain employees, members of the Mine Workers' Union. With the outstanding co-operation of all non-striking employees operations continued with a minimum of disruption.

DEVELOPMENT: 2,703 metres of *off-reef development* were advanced on 3, 5, 7, 9 and 11 Levels.

CAPITAL WORKS:
No. 2 Shaft and No. 1 Sub-Vertical Shaft: No. 1 Sub-Vertical Shaft, which is an extension of No. 2 Shaft, was sunk 42 metres to its temporary final depth of 528 metres below collar. Excavation of the hoist chambers for No. 1 Sub-Vertical Shaft is in progress. Both shafts have been stripped of sinking equipment and the necessary headgear modifications for permanent equipping are being made.

On behalf of the board

11 April 1979 — R. A. Plumbridge, C. T. Fenton } Directors

EAST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 54,510,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1979	*Qtr. ended 31/12/1978*
Gold:		
Ore milled (t)	600,000	600,000
Gold produced (kg)	12,188.6	11,872.3
Yield (g/t)	20.3	19.8
Price received (R/kg)	6,592	6,079
Revenue (R/t milled)	134.35	120.72
Cost (R/t milled)	28.05	27.49
Profit (R/t milled)	106.30	93.23
Revenue (R000's)	80,611	72,433
Cost (R000's)	16,831	16,493
Profit (R000's)	63,780	55,940
FINANCIAL RESULTS (R000's):		
Working profit: Gold	63,780	55,940
Recovery under loss of profits insurance	—	1,223
Net sundry revenue	2,662	2,490
Profit before taxation and State's share of *profit*	66,442	59,653
Taxation and State's share of profit	38,183	28,842
Profit after taxation and State's share of profit	28,259	30,811
Capital expenditure	3,549	10,982
Loan levy	2,849	3,136
Dividend	—	40,883

DIVIDEND: A dividend (No. 11) of 75 cents (42.11087p) per share was declared on 12 December 1978 and was paid to members on 6 February 1979.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R23.0 million. The unexpended balance of authorised capital expenditure at 31 March 1979 was R53.5 million.

OPERATIONS: There was an illegal six-day strike between 7 and 13 March 1979 by certain employees, members of the Mine Workers' Union. With the outstanding co-operation of all non-striking employees operations continued with a minimum of disruption.

DEVELOPMENT:		
Main Reef		
Advanced (m)	548	302
Sampling results:		
Sampled (m)	188	302
Stope width (cm)	197	210
Av. value: gold (g/t)	7.8	5.8
cm.g/t	1,537	1,218
Ventersdorp Contact Reef		
Advanced (m)	2,342	2,507
Sampling results:		
Sampled (m)	854	1,246
Stope width (cm)	154	178
Av. value: gold (g/t)	18.2	16.4
cm.g/t	2,803	2,919
Carbon Leader		
Advanced (m)	3,026	2,885
Sampling results:		
Sampled (m)	466	214
Stope width (cm)	110	110
Av. value: gold (g/t)	6.7	10.1
cm.g/t	737	1,111

SHAFTS:

No. 2 Sub-Vertical Shaft: The excavation of the hoist chambers is virtually complete and cutting of the headgear portion of the shaft is in progress.

No. 1A Service Shaft: The shaft was sunk and equipped to a final depth of 318 metres below collar. The change-over of the headgear steelwork for permanent winding is in progress.

No. 1B Service Shaft: Work is in progress on the hoist chamber dome.

On behalf of the board

11 April 1979 — R. A. Plumbridge, C. T. Fenton } Directors

KLOOF GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 30,240,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1979	*Qtr. ended 31/12/1978*	Nine months ended 31/3/1979
Gold:			
Ore milled (t)	495,000	490,000	1,470,000
Gold produced (kg)	7,282.3	7,154.0	21,517.3
Yield (g/t)	14.7	14.6	14.6
Price received (R/kg)	6,490	6,070	6,064
Revenue (R/t milled)	95.62	88.95	89.05
Cost (R/t milled)	33.81	33.84	33.74
Profit (R/t milled)	61.81	55.11	55.31
Revenue (R000's)	47,334	43,584	130,887
Cost (R000's)	16,738	16,582	49,587
Profit (R000's)	30,596	27,002	81,300
FINANCIAL RESULTS (R000's):			
Working profit: Gold	30,596	27,002	81,300
Net sundry revenue	1,308	1,067	3,277
Profit before taxation and State's share of profit	31,904	28,069	84,577
Taxation and State's share of profit	17,868	15,665	46,955
Profit after taxation and State's share of profit	14,036	12,404	37,622
Capital expenditure	2,721	2,346	7,669
Loan levy	1,336	1,170	3,510
Loan levy refund	134	—	134
Dividend	—	9,072	9,072

TAXATION AND LOAN LEVY: The above figures provide for lower taxation and loan levy announced by the Minister of Finance on 28 March 1979, and comparative figures have been amended accordingly.

DIVIDEND: A dividend (No. 18) of 30 cents (16.84436p) per share was declared on 12 December 1978 and was paid to members on 6 February 1979.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R15.5 million. The unexpended balance of authorised *capital expenditure* at 31 March 1979 was R37.3 million.

OPERATIONS: There was an illegal six-day strike between 7 and 13 March 1979 by certain employees, members of the Mine Workers' Union. With the outstanding co-operation of all non-striking employees operations continued with a minimum of disruption.

DEVELOPMENT:			
Ventersdorp Contact Reef			
Advanced (m)	6,149	7,035	20,481
Sampling results:			
Sampled (m)	46	126	454
Stope width (cm)	142	143	144
Av. value: gold (g/t)	16.6	26.5	19.2
cm.g/t	2,357	3,804	2,765

SHAFTS:

No. 3 Shaft: Equipping of the headgear has been completed and the shaft is now operating.

No. 3 Sub-Vertical Shaft: Sliping of the headgear portion of the shaft has begun and work preparatory to sinking is in progress.

No. 3A Service Shaft: Sinking has commenced.

On behalf of the board

11 April 1979 — R. A. Plumbridge, C. T. Fenton } Directors

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14,082,160 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1979	*Qtr. ended 31/12/1978*	Nine months ended 31/3/1979
Gold:			
Ore milled (t)	645,000	645 000	1,930,000
Gold produced (kg)	13,541.4	14,281.2	42,820.8
Yield (g/t)	21.0	22.1	22.2
Price received (R/kg)	6,531	6,076	6,048
Revenue (R/t milled)	137.52	135.02	134.86
Cost (R/t milled)	32.95	32.70	32.99
Profit (R/t milled)	104.57	102.32	101.87
Revenue (R000's)	88,700	87,089	260,468
Cost (R000's)	21,253	21,089	63,665
Profit (R000's)	67,447	66,000	196,801
Uranium Oxide:			
Pulp treated (t)	291,800	305,400	923,100
Oxide produced (kg)	71,530	76,618	231,107
Yield (kg/t)	0.245	0.251	0.250
FINANCIAL RESULTS (R000's):			
Working profit: Gold	67,447	66,000	196,801
Profit on sale of Uranium Oxide and Sulphuric Acid	2,947	6,761	12,543
Net sundry revenue	3,270	3,048	9,619
Profit before taxation and *State's share of profit*	73,664	75,809	218,963
Taxation and State's share of profit	46,520	47,582	137,083
Profit after taxation and State's share of profit	27,144	28,227	81,880
Capital expenditure	875	1,296	4,216
Loan levy	3,201	3,271	9,438
Loan levy refunds	4,857	—	6,516
Dividend	—	28,164	28,164

TAXATION AND LOAN LEVY: The above figures provide for lower taxation and loan levy announced by the Minister of Finance on 28 March 1979, and comparative figures have been amended accordingly.

DIVIDEND: A dividend (No. 52) of 200 cents (112.29564p) per share was declared on 12 December 1978 and was paid to members on 6 February 1979.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R9.0 million. The unexpended balance of authorised capital expenditure at 31 March 1979 was R29.0 million.

OPERATIONS: There was an illegal six-day strike between 7 and 13 March 1979 by certain employees, members of the Mine Workers' Union. With the outstanding co-operation of all non-striking employees operations continued with a minimum of disruption.

DEVELOPMENT:			
Carbon Leader			
Advanced (m)	4,219	4,268	13,190
Sampling results:			
Sampled (m)	78	52	222
Stope width (cm)	105	105	105
Av. value: gold (g/t)	15.7	14.8	14.4
cm.g/t	1,649	1,554	1,512
Ventersdorp Contact Reef			
Advanced (m)	1,273	1,337	4,047
Sampling results:			
Sampled (m)	408	315	1,060
Stope width (cm)	133	145	138
Av. value: gold (g/t)	14.3	7.7	12.5
cm.g/t	1,902	1,117	1,725
Main Reef			
Advanced (m)	640	437	1,667
Sampling results:			
Sampled (m)	228	200	740
Stope width (cm)	172	162	153
Av. value: gold (g/t)	5.7	7.5	6.2
cm.g/t	980	1,215	949

On behalf of the board

11 April 1979 — A. Louw, R. A. Plumbridge } Directors

LIBANON GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 7,837,300 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1979	*Qtr. ended 31/12/1978*	Nine months ended 31/3/1979
Gold:			
Ore milled (t)	410,000	405,000	1,220,000
Gold produced (kg)	3,156.0	3,187.8	9,583.8
Yield (g/t)	7.7	7.9	7.9
Price received (R/kg)	6,503	6,090	6,079
Revenue (R/t milled)	50.23	48.00	47.89
Cost (R/t milled)	27.18	27.08	27.04
Profit (R/t milled)	23.05	20.92	20.85
Revenue (R000's)	20,592	19,438	58,429
Cost (R000's)	11,143	10,965	32,986
Profit (R000's)	9,449	8,473	25,443
FINANCIAL RESULTS (R000's):			
Working profit: Gold	9,449	8,473	25,443
Net sundry revenue	607	574	1,761
Profit before taxation and State's share of profit	10,056	9,047	27,204
Taxation and State's share of profit	5,162	4,252	13,309
Profit after taxation and State's share of profit	4,894	4,795	13,895
Capital expenditure	1,156	1,181	3,448
Loan levy	412	342	1,071
Loan levy refunds	914	—	1,253
Dividend	—	3,969	3,969

TAXATION AND LOAN LEVY: The above figures provide for lower taxation and loan levy announced by the Minister of Finance on 28 March 1979, and comparative figures have been amended accordingly.

DIVIDEND: A dividend (No. 56) of 50 cents (28.07391p) per share was declared on 12 December 1978 and was paid to members on 6 February 1979.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R5.5 million. The unexpended balance of authorised capital expenditure at 31 March 1979 was R10.6 million.

OPERATIONS: There was an illegal six-day strike between 7 and 13 March 1979 by certain employees, members of the Mine Workers' Union. With the outstanding co-operation of all non-striking employees operations continued with a minimum of disruption.

DEVELOPMENT:			
Main Reef			
Advanced (m)	2,707	1,970	7,022
Sampling results:			
Sampled (m)	760	332	1,644
Stope width (cm)	150	159	149
Av. value: gold (g/t)	4.9	21.8	8.2
cm.g/t	735	3,466	1,222
Ventersdorp Contact Reef			
Advanced (m)	1,660	2,206	5,518
Sampling results:			
Sampled (m)	436	518	1,278
Stope width (cm)	155	159	157
Av. value: gold (g/t)	4.4	4.9	5.7
cm.g/t	682	779	895
Elsburg Reef			
Advanced (m)	186	191	481
Sampling results:			
Sampled (m)	22	86	186
Stope width (cm)	144	214	219
Av. value: gold (g/t)	0.4	10.4	7.7
cm.g/t	58	2,226	1,686
Kimberley Reef			
Advanced (m)	Nil	38	233
Sampling results:			
Sampled (m)	—	34	140
Stope width (cm)	—	144	161
Av. value: gold (g/t)	—	0.8	2.5
cm.g/t	—	115	403

SHAFT SINKING:

No. 2 Sub-Vertical Shaft: The shaft was sunk 110 metres to a depth of 965 metres below collar.

No. 1A Service Shaft: Full-scale sinking commenced in February 1979.

On behalf of the board

11 April 1979 — R. A. Plumbridge, *C. T. Fenton* } Directors

NOTE:

Copies may be obtained from the United Kingdom Registrar: Close Registrars Limited, 803, High Road, Leyton, London, E10 7AA

DOORNFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 9,828,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1979	*Qtr ended 31/12/1978*	Nine months ended 31/3/1979
Gold:			
Ore milled (t)	360,000	360,000	1,080,000
Gold produced (kg)	3,002.4	3,166.5	9,409.2
Yield (g/t)	8.3	8.8	8.7
Price received (R/kg)	6,587	6,122	6,096
Revenue (R/t milled)	55.11	54.05	53.27
Cost (R/t milled)	33.29	33.59	33.32
Profit (R/t milled)	21.82	20.46	19.95
Revenue (R000's)	19,841	19,460	57,528
Cost (R000's)	11,985	12,093	35,978
Profit (R000's)	7,856	7,367	21,550
FINANCIAL RESULTS (R000's):			
Working profit: Gold	7,856	7,367	21,550
Net sundry revenue	580	478	1,541
Profit before taxation and State's share of profit	8,436	7,845	23,091
Taxation and State's share of profit	4,396	3,915	12,075
Profit after taxation and State's share of profit	4,040	3,930	11,016
Capital expenditure	1,115	694	2,421
Loan levy	279	248	767
Loan levy refunds	764	—	922
Dividend	—	1,966	1,966

TAXATION AND LOAN LEVY: The above figures provide for lower taxation and loan levy announced by the Minister of Finance on 28 March 1979, and *comparative figures have been amended accordingly.*

DIVIDEND: A dividend (No. 44) of 20 cents (11.22956p) per share was declared on 12 December 1978 and was paid to members on 6 February 1979.

CAPITAL EXPENDITURE: *The estimated capital expenditure for the current financial year is R4.5 million. The unexpended balance of authorised capital expenditure at 31 March 1979 was R4.0 million.*

OPERATIONS: There was an illegal six-day strike between 7 and 13 March 1979 by certain employees, members of the Mine Workers' Union. With the outstanding *co-operation of all non-striking employees operations* continued with a minimum of disruption.

DEVELOPMENT:			
Carbon Leader			
Advanced (m)	3,078	4 113	11,115
Sampling results:			
Sampled (m)	682	832	2,088
Stope width (cm)	105	105	105
Av. value: gold (g/t)	12.9	10.5	11.0
cm.g/t	1,355	1,103	1,155
Main Reef			
Advanced (m)	1,089	824	2,750
Sampling results:			
Sampled (m)	488	674	1,138
Stope width (cm)	118	115	116
Av. value: gold (g/t)	12.2	8.9	11.2
cm.g/t	1,440	1,024	1,299

On behalf of the board

11 April 1979 — R. A. Plumbridge, C. T. Fenton } Directors

VENTERSPOST GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 5,060,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1979	*Qtr. ended 31/12/1978*	Nine months ended 31/3/1979
Gold:			
Ore milled (t)	308,000	333 000	938,000
Gold produced (kg)	1,554.3	1,700.1	4,928.5
Yield (g/t)	5.1	5.3	5.3
Price received (R/kg)	6,653	6,061	6,076
Revenue (R/t milled)	33.67	32.13	32.11
Cost (R/t milled)	30.66	28.65	29.86
Profit (R/t milled)	3.01	3.48	2.25
Revenue (R000's)	10,369	10 379	30,029
Cost (R000's)	9,442	9 256	27,927
Profit (R000's)	927	1,123	2,102
FINANCIAL RESULTS (R000's):			
Working profit: Gold	927	1,123	2,102
Profit on sale of pyrite	2	54	279
State assistance	(101)	(80)	250
Net sundry revenue	237	252	743
Profit before taxation	1,135	1 344	3,374
Taxation (non-mining)	33	34	170
Profit after taxation	1,102	1,310	3,204
Capital expenditure	238	264	770
Loan levy	3	3	16
Loan levy refunds	346	—	258
Dividend	—	758	758

DIVIDEND: A dividend (No. 77) of 15 cents (8.42217p) per share was declared on 12 December 1978 and was paid to members on 6 February 1979.

CAPITAL EXPENDITURE: The estimated capital expenditure for the current financial year is R859,000. The unexpended balance of authorised capital expenditure at 31 March 1979 was R92,000.

OPERATIONS: There was an illegal six-day strike between 7 and 13 March 1979 by certain employees, members of the Mine Workers' Union. With the outstanding co-operation of all non-striking employees operations continued with a minimum of disruption.

DEVELOPMENT:			
Main Reef			
Advanced (m)	1,007	1 134	3,380
Sampling results:			
Sampled (m)	462	544	1,432
Stope width (cm)	153	149	150
Av. value: gold (g/t)	6.5	5.8	6.8
cm.g/t	995	864	970
Ventersdorp Contact Reef			
Advanced (m)	48	144	337
Sampling results:			
Sampled (m)	Nil	16	32
Stope width (cm)	—	165	161
Av. value: gold (g/t)	—	0.1	0.2
cm.g/t	—	17	32

On behalf of the board

11 April 1979 — C. T. Fenton, R. A. Plumbridge } *Directors*

VLAKFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 6,000,000 shares of 90 cents each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1979	*Qtr. ended 31/12/1978*
Gold:		
Ore milled:		
From surface dumps (t)	180,000	180,000
Gold produced (kg)	211.0	207.9
Yield (g/t)	1.2	1.2
Price received (R/kg)	6,550	5,999
Revenue (R/t milled)	7.77	6.94
Cost (R/t milled)	4.67	4.47
Profit (R/t milled)	3.10	2.47
Revenue (R000's)	1,398	1 250
Cost (R000's)	840	805
Profit (R000's)	558	445
FINANCIAL RESULTS (R000's).		
Working profit: Gold	558	445
Net sundry revenue	131	219
Profit before taxation	689	664
Taxation:		
Formula tax	307	253
Non-mining tax	38	40
Excess recoupments tax	14	18
Profit after taxation	330	353
Capital expenditure recoupments (net)	27	42
Loan levy	33	41
Loan levy refunds	172	—
Dividend	—	600

DIVIDEND: A dividend (No. 70) of 10 cents (5.61478p) per share was declared on 12 December 1978 and was paid to members on 6 February 1979.

CAPITAL EXPENDITURE: There were no capital expenditure commitments at 31 March 1979.

PROPOSED REPAYMENT OF CAPITAL: At the annual general meeting to be held on 12 April 1979 members will be asked to consider a special resolution reducing the authorised and issued capital from the present amount of 90 cents per share to an amount of 80 cents per share, by returning paid-up capital to the extent of 10 cents per share to members registered in the books of the company on 29 June 1979. Subject to the passing and registration of the special resolution; to the reduction of capital being confirmed by the Supreme Court of South Africa, and to the exchange control authorities granting approval for the transfer of funds, in *acceptable form for repayments due to non-residents of the Republic,* it is expected that the repayment will be made in August 1979.

On behalf of the board

11 April 1979 — C. T. Fenton, R. A. Plumbridge } *Directors*

Croda disappointed with last quarter trading

DESPITE disappointing trading in the last quarter of the year, taxable profits of Croda International, chemical processor, finished 1978 at a record £15.12m against a previous £13.04m. Sales were up by only £7.56m to £234.13m but Sir Frederick Wood, the chairman, says the group obtained "a small but satisfactory increase in our margins."

Results for the first quarter of 1979 will be affected by the road haulage strike and bad weather conditions, he states, and he feels it is too early to assess how much of the lost ground will be recovered later in the year.

The surplus on disposal of investments during the year increased from £115,000 to £774,000. After tax, which was split as to UK £2.41m (£2.51m) and overseas £1.37m (£1.14m), minorities and preference dividends £67,000 (£85,000), and unrealised exchange losses of £410,000 (£547,000) the available balance came out ahead at £10.86m compared with £8.76m.

Basic earnings are stated as 10.76p (8.95p) per 10p share and 9.67p (8.01p) fully diluted. The dividend is increased from 2.1926p to 2.4283p net with a final payment of 1.3463p.

Dividends will absorb £2.56m against £2.29m last time leaving £8.29m (£6.47m) retained.

The chairman says there were no significant contributions from companies which were acquired during the year.

Principal group properties in the UK were revalued in 1978 and the net surplus of £9.51m was credited to reserves.

● comment

Croda is as much a hostage to the vagaries of the world chemical cycle as ICI these days. Its pre-tax profits, helped by a £0.8m surplus on sales of investments, are £2.1m higher, but they would have been another £10m better if Croda had made the same sort of margins as in 1974 at the height of the last chemical boom. The group's profits have been helped by loss elimination at the animal glue operations and margins in other parts of the group have been improved. Given that sales are only marginally higher, Croda's improved performance is creditable. The current year has got off to a bad start, because of industrial troubles, but the company believes that there are a few signs (such as shortages of certain products) that the chemical industry could pick up more smartly than some suggest for the second half of 1979. At 57p, the shares yield 6.4 per cent.

J. England profits slump

J. E. England and Sons (Wellington) incurred losses of £72,662, against £65,975, in the second half of 1978, leaving the year's profit figure down from £450,119 to £41,696.

The main activity of the group is still the potato trade and 1978 was probably the most difficult trading year encountered, the directors say.

Earnings per share are shown at 0.54p (4.39p) but a final dividend of 1.02032p maintain's the year's total at 1.41962p.

	Year 1978 £	1977 £
Turnover	37,749,065	35,520,837
Profit before tax	41,696	450,119
Tax	12,957	228,677
Net profit	28,729	221,442
Extraord. debit	21,354	15,000
Pref. dividend	1,750	1,750
Interim ord.	19,965	18,150
Final ord.	51,016	52,831
Deficit retained	65,346	*133,711

* Profit.

The directors say the disappointing result follows a succession of years of high prices and consequent high profits, during which the capital and reserves have increased from £0.56m to £1.34m.

The group is still trading under difficult conditions and next season's conditions are completely unknown. Unless these show a substantial improvement, there is no guarantee that the dividend can be maintained for 1979, the directors warn.

RENTOKIL

Rentokil Group has acquired the capital of Crusader Alarms, a specialist in intruder alarms, fire alarm systems and security, for £404,316.

Boosey finishes £0.8m off

SECOND-HALF profit almost halved from £1.03m to £527,000 left Boosey and Hawkes with £1.16m pre-tax for 1978, compared with a previous £1.96m. Turnover for the full period was down from £17.9m to £16.65m.

The directors say they expect 1979 to be a better year; the instrument and organ businesses should improve and the publishing side will continue to be buoyant, they state.

Mr. Hugh Barker, chairman, says the major causes for the poor results for the year were the continued output shortfall in the musical instrument factory, which directors are working to ameliorate by training additional skilled labour and by investment in new plant, and start up costs incurred in developing the reconstituted electronic organ business and the pop music venture.

And there was a terminal loss provision, of £100,000, in respect of the factory in Malta, now closed.

Earnings are shown as 17.2p (24.6p) per 25p share and a final payment of 3.767p net lifts the total dividend for the year from 5.126p to 5.667p.

	1978 £000	1977 £000
Turnover	16,650	17,900
Pre-tax profits	1,159	1,961
Tax and minorities	471	983
Extraord. debits†	180	235
Making	508	743
Pref. dividends	13	13
Ord. dividends	222	201
Retained	273	529

† Includes £100,000 Malta terminal loss reserve and £80,000 currency conversion of overseas revenue reserves.

British Vita confident of successful year

Sales in the UK and profitability are generally in line with expectations, the chairman of British Vita Company told the annual meeting. He said he was confident that 1979 would be another successful year.

In the UK the group was investing in capital equipment to increase facilities, improve efficiency and consolidate market positions. The benefits will show int he 1980's.

Last Thursday the company announced the proposed acquisition of Libeltex SA in Belgium, one of the largest producers of bonded fibre waddings in Europe. This company and Vitaluxan, the group's existing fibre processing concern, wilwl form the base for broadening further the range of international operations.

The international sector continued to progress and the chairman looked forward to another successful year in this field.

Alliance Trust sees further income growth

In the absence of any major change in investment policy at Alliance Trust Company, further income growth may be expected, says Mr. D. F. McCurrach, the chairman, in his annual statement.

He adds that the Board's earnings estimate for the current year already stands at 8.6p per 25p share, compared with the 1978-79 year-end figure of 8.28p, and 7.37p previously which excluded an exceptional tax credit.

As reported March 3, after-tax revenue rose from £3.91m to £4.24m for the year ended January 31, 1979. The total dividend is lifted to 8p (7.1p) net and the interim payment for the current year is to be stepped up from 2.5p to 3p.

At balance date, investments, including temporary deposits, were valued at £161.75m (£143.61m). Current assets fell from £0.96m to £0.28m and current liabilities stood at £4.64m (£3.31m).

Meeting, Dundee, May 4, 11.30 am.

Strikes give IMI poor start to 1979

The current year started none too well for IMI, Sir Michael Clapham, chairman, told shareholders at the annual meeting.

The group was quite severely hit in January by the road haulage dispute when it was unable to make despatches, particularly for export, and when some raw materials—especially copper—were locked up in the docks.

Also, he continued, the group suffered a three-week strike over pay negotiations at the Leeds works of Yorkshire Imperial Metals.

While February was a better month, political and economic uncertainties made it difficult to predict performance, the chairman said.

However, long-term confidence was indicated by investment plans which included expenditure on fixed assets of something over £20m, excluding possible acquisitions. Most of this, the chairman added, would be in the UK, but further overseas earnings growth was a continuing objective.

The group intended both to increase direct exports and income from licensing, and to select opportunities for further investment overseas.

In doing this, the chairman concluded, the group would look first to enterprises which could build on existing market knowledge and product range, and investments which attracted exports from established UK operations.

In the 1978 year, taxable profits were down from £34.2m to £32.2m, on turnover 12 per cent higher at £524.01m.

Lead Industries slumps to £14.8m after associate fall

A FALL in associated profits was largely to blame for the taxable surplus of Lead Industries Group slumping from £19.72m to £14.82m in 1978. Sales were ahead from £287.71m to £298.98m. At midway the pre-tax profit was down from £12.3m to £8.92m.

The Board adds that the 1978 results take into account two major accounting policy changes. Depreciation on the fixed assets of UK and overseas subsidiaries is provided on the current cost replacement cost, instead of historical cost. And the tax calculation is based on SSAP 15. Last year's results have been restated.

The taxable profit is struck after historical depreciation of £3.11m, against £4.6m, and there is additional depreciation charge on current values of £4.13m (£1.49m). The trading profit was down from £20.68m to £19.95m.

The directors say the profit fall is due to associated company profits being some £3m lower at £3.95m. In addition there is £1m extra depreciation in the subsidiaries because of the changed accounting policy, and a further £1m from the exclusion of Goodlass Nerolac. This company, a former subsidiary, became an associate last year.

The Board adds that the associated companies were hit by the continued low profitability of Tioxide. Although some associates were down on 1977, they made some recovery in the second half of last year.

On prospects the directors say the bad weather and the strike-effects on transport and docks at the beginning of the year will have some impact on results. But this will be reduced by the overseas interests, and in the UK by the way some companies have maintained a high level of activity and others have seen a recovery in demand. Prospects are still uncertain with world trade influenced by higher oil price, and the UK by the forthcoming election.

After tax of £6.78m (£7.83m) and minorities of £368,000 against £527,000 the net profit is well down from £11.36m to £7.66m. There is extraordinary credit of £1.37m (£416,000), and after dividend payments the retained profit is £5.54m, against £8.64m.

The final dividend of 4.93p net per 50p share lifts the total from 7.37p to 8.23p. The cost is £3.5m (£3m). Stated earnings per share after tax and additional depreciation are down from 28.8p to 18.3p. After historical depreciation the fall is from 38.8p to 27.5p.

● comment

The accounting changes distort Lead Industries' underlying performance during 1978. Beneath the higher depreciation charge, and the deconsolidation of Goodlass Nerolac is a drop in the contribution from the diecasting division, only partly explained by disruptions to its motor industry customers. But the paint division had a reasonable year; ceramics in the UK produced a better result but the overseas contribution fell away because of difficulties in Italy. The metals and chemicals business was down a bit in the UK but stronger overseas on the back of higher results from South Africa. Associated company figures droped heavily largely because of the downturn at Tioxide. Prospects for 1979 are uncertain but overseas contributions will be boosted by U.S. acquisitions made late last year and early in 1979. The shares, at 151, have a p/e of 5.1 and a yield of 8.4 per cent.

Morris and Blakey up to £0.44m

FOLLOWING the midway rise from £117,376 to £182,590, Morris and Blakey Wall Papers expanded 1978 taxable profits from £310,794 to a record £439,742, on turnover some £2m higher at £10.59m.

Severe weather conditions and the haulage strike combined to depress trading in the first quarter of this year, which is traditionally a difficult period, the directors state.

However, sales are rising and they are confident that the improvement normally experienced in the spring and summer months will materialise.

The full year result included losses of £75,952 (£7,542) from discontinued operations and was subject to a substantially higher tax charge of £223,178 (£27,315) and £19,058 (£9,122) extraordinary debits.

Earnings per 25p share are given down from 9.84p to 7.22p, while a net final dividend of 2.83p lifts the total payment to 4.58p (4.11p).

The group's portfolio of freehold and leasehold properties was professionally valued as at December 31, 1978, to disclose a surplus of £1.08m. This has been incorporated in the accounts and capital reserves have been increased accordingly.

UK COMPANY NEWS

GRE up 40% to top £83m

A RETURN to underwriting profits, plus a 20 per cent rise in net investment income sent pre-tax profits of the Guardian Royal Exchange Assurance soaring by over 40 per cent in 1978 from £58.8m to £83.3m. Earnings showed a similar growth amounting to £41.3m compared with £28.5m in 1977.

Shareholders are rewarded with a 12.4 per cent lift in their gross equivalent dividend, though the group could have raised it by as much as 19 per cent. A final dividend of 6.9415p is being recommended which with the interim and associated tax credit makes a gross equivalent of 17.3134p against 15.4022p in 1977.

Net premium income on general business showed a growth last year of just under 5 per cent from £592m to £620m. But an underwriting profit of £4.8m was recorded in 1978 against a loss of £8.6m in 1977. This turnround came surprisingly from the UK account where a loss of £6.6m in 1977 was changed to a £5.4m profit in 1978.

The group, in common with all other insurers, lost money last year on its UK householder account from the bad weather and underinsurance. Guardian, the second largest motor insurer in the UK experienced a slight loss on its motor account, but still held its premium rates steady for 12 months. There were good results on the commercial fire and the accident accounts.

In Germany last year there was an underwriting loss of £8.6m against £5.7m in 1977. The situation was however made worse by the authorities changing the method of calculating the transfer to the equalisation account which overstated the losses in 1978. Elsewhere, much better results were achieved in Canada, where a loss of £400,000 was turned into a profit of £800,000 and the U.S. where underwriting profits quadrupled to £1.2m.

Investment income has developed well, rising from £58.9m in 1977 to £70.4m last year. The results for the year are the best ever reported by the group, despite adverse exchange rate movements. This effect reduced premium as expressed in sterling terms by £5m and pre-tax profits by £4m. The group also felt the effects of losing from the 1978 consolidation its profitable Nigerian business.

Contributions from long-term funds rose from £6.5m to £8.1m, but there were two special features. Because of the payment of a special bonus on certain policies, these long-term profits include non-recurring items of £1.9m. This was partly offset by the loss from the South African life operations which contributed £1.2m in 1977.

● comment

At the halfway stage, GRE reported a £6m underwriting loss but a very good second half has enabled the group to show considerable underwriting profits, whereas the market expected a break-even at best. A buoyant commercial fire and accident account has offset the dull performance of householders' business while the motor account performed well in holding losses to a marginal £½m. A useful motor rate increase in Germany on January 1 of this year plus the efforts to rationalise the business should stem the losses in this territory. A better UK performance, despite the severe winter weather, is expected and a strong advance on 1978's record figures is on the cards for 1979. The market reacted by improving the share price by 18p to 278p yielding 6.4 per cent. GRE has adopted a cautious attitude towards the dividend rise this year.

SUITS still fights on

BY JAMES BARTHOLOMEW

A majority of the independent directors of Scottish and Universal Investments, the holding company with stakes in the House of Fraser stores group and Whyte and Mackay scotch whisky, have decided to oppose the £42.9m increased offer from Lonrho, which already owns 29.24 per cent.

Two of the directors, Sir Hugh Fraser and Mr. James Gossman, have changed their stance for the third time and now give qualified approval to the bid.

Charterhouse Japhet, financial advisers to the company, and Grieveson Grant, the company's stockbrokers, have told the board that Lonrho's bid is "inadequate, undervalues the company and does not include a full cash alternative." The revised offer consists of 115p cash and one Lonrho share for every share of SUITS.

Three of the independent directors accepted this advice but Sir Hugh and Mr. Gossman disagreed. "The offer is fair and reasonable and should be considered by shareholders after receipt of Lonrho's formal offer document and majority's formal rejection document," they said.

This was a modification of the apparently unreserved recommendation which Mr. Gossman last week said that he and Sir Hugh would give to the offer.

Sir Hugh has told the board that the trustees of the Fraser Trusts, which own an important 8.94 per cent of SUITS, will not make a decision on the offer until they have seen the documents.

In the offer document, sent yesterday, Lonrho quotes from the Monopolies and Mergers Commission report which gave permission for the bid to proceed. The Commission commented: "The entrepreneurial drive of Lonrho and its wider industrial and commercial experience together with its expressed commitment to Scotland could be of benefit to SUITS and, in the long term, to the prospects of employment in Scotland."

Lonrho says in its offer that SUITS would become a new regional centre within the Lonrho group if the bid is successful.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interim—F. Copson.

Finals—Automotive Products, Beauford Group, Benford Concrete Machinery, Berwick Timpo, Bifurcated Engineering, Bowthorpe Holdings, Brown and Jackson, Carpets International, Coral Leisure, Green's Economiser, Midland News Association, New London Properties, Oil Exploration, Richards and Wallington Industries.

FUTURE DATES

Interim—

Long and Hambly	Apr. 23

Finals—

Callender (George M.)	Apr. 17
Corinthian Holdings	Apr. 23
Dunlop	Apr. 19
Hay (Norman)	Apr. 18
Newarthill	Apr. 26
Silentnight	Apr. 24
Wadkin	Apr. 18
Websters Publications	Apr. 20

Sanderson Kayser falls

AFTER INCREASED exceptional debts of £88,000, against £3,378, pre-tax profits of Sanderson Kayser, steel and tool manufacturer, fell from £1.09m to £888,000 in 1978. Turnover was marginally lower at £13.67m compared with £13.72.

At halfway, when profits were virtually unchanged at £580,000, against £583,000, the directors said that the second period was not proving to be easy.

The directors now say margins have been under great pressure, especially in the UK as a result of increased costs, particularly of labour.

There has been a contraction in the labour force, they add, many employees taking voluntary redundancy.

After tax for the year of £418,000 (£567,067), earnings per 25p share are shown lower at 6.79p (8.79p). The net total dividend is maintained at 4.38p, with a 2.91p final.

The extraordinary net credit of £470,000 from sale of shares in British Acheson Electrodes lifts attributable surplus from £520,096 to £940,000.

Rockwell stays firm on Wilmot offer

Rockwell International of the U.S. has formally announced that it will not increase its offer of 115p per share cash for Wilmot Breeden.

The move followed the news that Rockwell has received clearance from the Monopolies Commission for the bid which values the UK motor components group at £24m.

Shortly afterwards, Wilmot's directors repeated their advice to shareholders that the offer "significantly undervalues" their company, particularly in view of the performance of the European operations, and should be rejected. Wilmot has already stated that it would recommend a bid at 135p per share.

Notwithstanding, Rockwell continued to buy in the market yesterday where the shares stood steady at 115p and picked up a further 8.7 per cent of Wilmot, taking its total stake to 38.67 per cent.

Wilmot's advisers, Morgan Grenfell confessed that they were disappointed by the market's reaction and claimed that if shareholders stood firm the offer could still be increased or a counter bidder might appear.

TAP ALLOTMENTS

Bank of England announces that the allotment price of the Exchequer 11 per cent Stock 1991 is £97.50. All allotments have been made at that price.

Tenders made at prices above £97.50 have been allotted in full.

Tenders made at £97.50 have been allotted as follows: tendered for £100-£700: allotted £100 stock, £800-£1200: £200 stock, £1,300-£1,800: £800 stock, £1,900 and above: allotted between 18.88 per cent and 20 per cent.

Revaluation puts £135m on UDS properties

BY ANDREW TAYLOR

THE continuing surge in UK retail property values is reflected in a £135m rise in the book value of UDS Group properties, announced yesterday.

The group, which takes in High-street names like John Collier and Richard Shops, said its freehold and long leasehold properties had been revalued at £254m—£135m more than the curent bok value—by Healey & Baker, the London-based surveyors.

Most of the properties, two-thirds of which are freehold, had been in the books at 1972 value or cost.

This is the second large-scale property revaluation to be announced this month by a major UK multiple retailer. Last week F. W. Woolworth's annual accounts revealed that its properties had been revalued at £482m—a surplus of £271m over the previous book value.

A significant proportion of the increase is due to the sharp rise in retail property values over the past year. Rental yields on prime retail sites have fallen as low as 4½ per cent.

UDS says the revaluation confirms the underlying strength of its balance-sheet while a stronger asset base would make any future borrowing easier. Its accounts for the year ending January 28, 1978, showed net debt of £76m—a third of which was short-term—against shareholders' funds of £150m.

RESULTS IN BRIEF

MANDERS (HOLDINGS) (paint and printing ink manufacturer)—Results for 1978 already known. Group fixed assets £14.84m (£14.44m), net current assets £7.1m (£5.18m). Net liquid funds increased by £44,000 (£1.27m). Meeting, Wolverhampton, May 3, noon.

HUGH MACKAY AND CO. (carpet manufacturer)—Results for 1978 reported March 23. Group fixed assets £1.27m (£1.27m). Decrease in liquid funds £20,678 (£285,818). Meeting, Durham, May 2, noon.

R. CARTWRIGHT (HOLDINGS) (door and window furniture maker)—Results for 1978 reported March 29. Group fixed assets £880,275 (£787,648), net current assets £1.34m (£1.07m). CCA profit £777,785 (£542,383). Chairman says prospects for current year look quite promising. Meeting, Birmingham, May 9, at noon.

BARGET (furniture manufacturer)—Results for year to September 30, 1978, reported April 6. Group fixed assets £636,103 (£674,788). Net current assets £208,818 (£330,239). Working capital decreased £146,471 (£223,844). Compensation to director for loss of office £13,000 (nil). Meeting, Witham, Essex, April 30, at 10 am.

BRITISH MOHAIR SPINNERS—Results for 1978 already reported. Group fixed assets, £2.62m (£2.79m). Net current assets, £11.05m (£8.91m). Meeting, Bradford, May 9, at noon.

GEORGE SPENCER GROUP (knitwear)—Results for 1978 already known. Fixed assets £3.59m (£3.68m). Current assets £4.76m (£4.73m). Current liabilities £2.22m (£2.51m). Increase in working capital £0.08m (£0.21m).

STANLEY MILLER HOLDINGS (building and civil engineering contracting)—Final dividend 0.7p making 1.2p (0.76p) for 1978. Turnover £12,620,759 (£12,646,984). Profit £190,082 (£89,223). Tax credit £114,000 (debit £33,385). Outside interests £3,965 (add £2,155). Earnings per share 5p (0.97p). Turnover figure only maintained by the planned increase of trading in Saudi Arabia, which contributed to overall profits. Fall in UK trading volume is measure of difficult conditions. Chairman cannot foresee any material improvement at home during 1979. Company has written back £212,000 relating to deferred tax.

BRADWALL (FMS) RUBBER ESTATE—Interim dividend in lieu of final—1.7p (same) for 1978. Preliminary estimates indicate that profit may approach the £0.52m of 1977. Final accounts not available because of current merger negotiations.

HORACE CORY—Final dividend 0.38318p, making 0.75318p for 1978 (0.6796p). Turnover £2,266,647 (£2,575,406), profit £510,072 (£591,530) before tax £150,000 (£238,000). Earnings per share 3.34p (3.81p). Tax charge reduced by prior year adjustment of £50,000.

WALKER AND HOMER (manufacturing upholsterer)—For half-year to January 31, 1979, profit £28,166 (£48,542) before tax £14,646 (£25,250) and extraordinary credit £9,500 (£13,000 debit). Turnover £3.06m (£2.82m). Earnings per 5p share 0.24p (0.41p). Directors say results not as good as expected. Profit reduction mainly result of difficulties in one subsidiary. Transport strike and bad weather also had effect. Since extent of recovery is unclear, no interim dividend (0.45p last time). Final dividend policy considered in light of full-year results.

TAYLOR PALLISTER AND CO (engineer, maker of marine ancillary equipment)—Final dividend 3p making 4.5p (4.475p) net for 1978. Turnover £2,199,560 (£2,036,807), profit £101,310 (£104,765) after tax £113,550 (£116,877). Earnings per 25p share 15.011p (15.466p). In present circumstances not possible to forecast for current year, but Board will continue to take advantage of situations and opportunities which arise.

WOLSTENHOLME RINK—Treasury consent received for payment of a final dividend for 1978 of 3.215p on May 22, 1979.

GENERAL AND COMMERCIAL INVESTMENT TRUST—For year to Feb. 28, 1979, Gross revenue £773,466 (£675,198); interest and expenses £139,840 (£109,408); pre-tax revenue £633,626 (£565,790); tax £231,357 (£216,462); net revenue £402,269 (£349,328); available £381,479 (£328,538); ordinary dividends £367,270 (£311,137) and retained revenue £14,209 (£17,401). Earnings per 25p share 7.14p (6.15p). Net dividend 6.87p (5.82p) with 4.27p final. Year end net asset value 189.9p (158.2p).

CHURCH AND CO. (footwear group)—Results for 1978 reported March 17. Group fixed assets £2.58m (£1.74m), net current assets £7.41m (£6.48m). Meeting, Northampton, May 4, noon.

WILLIS FABER (insurance broker)—Results for 1978, with prospects, reported March 21. Group fixed assets £27.92m (£26.91m), net current assets £5.05m (£3.66m). CCA taxable profit £18.57m. Meeting, 10, Trinity Square, EC, May 29, noon.

LYDENBURG PLATINUM LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT

The directors announce the following estimated consolidated financial results of the company for the six months ending 30 April 1979.

	Six months to 30 April 1979	Six months to 30 April 1978	Year ended 31 October 1978 (Audited)
Net income before and after taxation	R590,000	R52,000	R927,000
Earnings—per share	4.1c	0.36c	6.44c
Dividends—per share	5.0c	Nil	6.80c
—amount	R720,000	Nil	R979,000

DECLARATION OF DIVIDEND

Notice is hereby given that an interim dividend No. 50 of 5 cents per share in respect of the year ending 31 October 1979, has been declared payable to members registered in the books of the company at the close of business on 4 May 1979.

No instructions involving a change of the office of payment will be accepted after 4 May 1979.

The register of members of the company will be closed from 5 May 1979 to 13 May 1979 both days inclusive.

The dividend is declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 21 May 1979, or on the first day thereafter on which a rate of exchange is available.

Non-resident shareholders' tax of 15 per cent will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa. Dividend warrants will be posted by the transfer secretaries mentioned below on or about 30 May 1979.

The full conditions of payment may be inspected at the head office or the offices of the transfer secretaries of the company.

By order of the board
GENERAL MINING AND FINANCE CORPORATION LIMITED
London Secretaries
per L. W. Humphries

United Kingdom Transfer Secretaries
Charter Consolidated Limited,
Charter House, Park Street,
Ashford, Kent. TN24 8EQ

London Office
Princes House,
95 Gresham Street.
London. EC2V 7EN.

11 April 1979

NatWest Registrars Department

National Westminster Bank Limited has been appointed Registrar of

THE CARDIFF MALTING COMPANY LIMITED

All documents for registration and correspondence should in future be sent to:

National Westminster Bank Limited
Registrar's Department
PO Box No 82
37 Broad Street
Bristol BS99 7NH.

Telephone Bristol (STD Code 0272)
Register enquiries 290711
Other matters 297144

Empire Stores

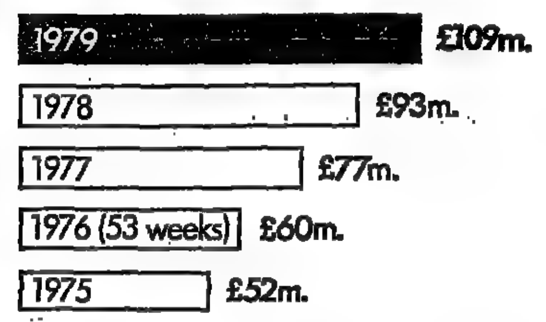
Turnover tops £100m.

● Mail Order sales and profit before tax both increased by 18%. Satisfactory progress continued into this year and demand from new catalogue up to expectations.

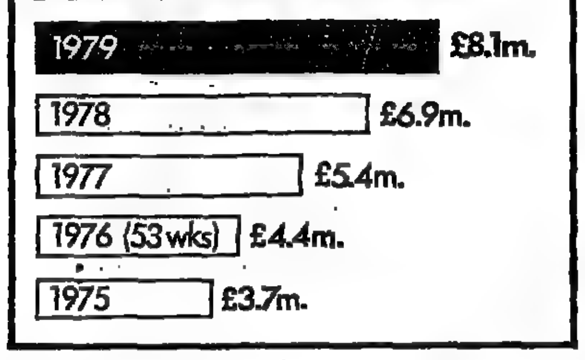
● Proposed to increase dividend by 10% and to capitalise part of share premium account by scrip issue of one new share for every five shares in issue.

Group Results	1979	1978
52 weeks ended January	£000	£000
Sales (excluding VAT)	109,232	93,344
Net Profit Before Taxation	8,109	6,887
Net Profit After Taxation	3,800	3,260
Earnings per share	13.97p	12.74p
Dividends Interim	2.479p	2.22p
Proposed Final	2.90847p	2.644064p

Sales



Profit before Tax



Empire Stores

MATTHEWS WRIGHTSON

Insurance, Shipping, Air Broking and Rural Land Use

Preliminary Announcement of Results for the year ended 31st December 1978

	1978 £000	1977 £000
Turnover	67,550	62,694
Profit before taxation	10,930	8,229
Profit attributable to shareholders	4,134	2,860
Earnings per share	30.37p	19.70p
Dividend per share	11.0550p	9.1852p

Results and Dividend

Pre-tax profit rose 33% to £10.93m. (1977 : £8.23m. – restated).
Earnings per share rose 54% to 30.37p (1977 : 19.70p).
Proposed final dividend for the year 7.4597p per share making a total for the year of 11.0550p (16.50p gross).

Insurance

Pre-tax profit of the combined insurance activities rose from £7.79m. to £9.78m.
Insurance broking profit rose from £6.61m. to £7.86m. despite adverse exchange rate movements.
Profits of the group's insurance companies rose from £843,000 to £1.34m.
The Lloyd's underwriting agency contributed £586,000 against £330,000 in 1977.

Shipping

Shipbroking profit was £1.16m. (1977 : £1.47m.); a satisfactory performance in the face of the continued depression in worldwide shipping markets.

Air Broking

Instone Air Transport earned a record profit of £280,000 (1977 : £181,000).

Rural Land Use

Policy changes made in 1977 and 1978 enabled the group significantly to reduce its loss from £991,000 (restated) to £55,000.

Profit Rental

The group continued to earn a substantial profit rental from its ownership of the lease of Fountain House.

Matthews Wrightson Holdings Limited,
1 Camomile Street, London EC3A 7HJ

CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.
Index Guide as at April 3, 1979 (Base 100 on 14.1.77)

Clive Fixed Interest Capital	156.31
Clive Fixed Interest Income	128.29

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London, EC3V 3PB. Tel.: 01-623 6314.
Index Guide as at April 5, 1979

Capital Fixed Interest Portfolio	113.10
Income Fixed Interest Portfolio	104.50

To the holders of

NATIONAL BANK OF HUNGARY

(Magyar Nemzeti Bank)

Redeemable Floating Rate Deposit Notes due 1981

In accordance with the provisions of the above Notes, American Express International Banking Corporation, as Fiscal Agent, has established the rate of interest for the semi-annual period ending on the 28th September, 1979, at 10¼ per cent. Interest due at the end of the Interest Period will be available upon surrender to any of the Paying Agents of Coupon No. 5.

American Express International Banking Corporation as Fiscal Agent.

Companies and Markets

UK COMPANY NEWS

Eagle Star ahead despite big underwriting loss

DESPITE AN underwriting loss double that of the previous year, *the pre-tax profits in 1978 of* Eagle Star Insurance moved ahead by 17 per cent from £43.5m *to £50.9m, thanks to a 25 per cent* boost in investment income and a 57 per cent advance from Grovewood Securities.

But a one-third higher tax charge, a minority interests charge *double that of 1977 and* the cost of introducing a staff profit sharing scheme resulted *in the net surplus marginally* lower at £26.4m against £26.5m in 1977. The transfer to catastrophe reserve *from this surplus* is unchanged at £2m.

A final dividend of 3.4909p per share is being recommended, which with the interim of 3.35p and associated tax credit makes a gross equivalent for 1978 of 10.2103p against 9.282p — the maximum 10 per cent increase allowed.

Premium income on general *insurance business advanced by* 15 per cent from £315m to £364m. The overall underwriting loss on *general business more* than doubled last year to £10.1m against £4.3m in 1977. The UK *experienced a very poor year and* accounted for £8.3m of this loss —more than double that of 1977.

The UK account was hit by two adverse features — continued under insurance and the bad weather at the beginning of this year. The company unlike most other insurers makes allowance in its 1978 figures for losses incurred in the first quarter of 1979. The overall underwriting loss, excluding the marine nad reinsurance accounts, was £9.1m.

The "all-in" account covering household insurance experienced a loss of £6.3m, while the motor account incurred a loss of £2m. The company has been changing to an index-linked basis for its household insurance and has increased its rates. It also put up motor rates on January 1, 1979, only six months after the previous increase. But a further increase *in rates before* the end of the year cannot be ruled out. Additional reserves have been set up on the employers' liability account, but the engineering insurance subsidiary again produced an excellent underwriting profit of £1.3m.

Overseas, there was an overall underwriting loss of £1.8m. In Australia trading was again disappointing. The company in the face of fierce competition in Belgium was concentrating on those classes holding the expectation of an underwriting profit. There were excellent results in South Africa and the new subsidiary in the U.S. has got off to a good start.

Within the UK there was a further increase in cash flow, with most of the new money being invested in stock exchange securities with gilts slightly predominating. Investment income rose from £38.7m to £48.5m. The solvency margin at the end of 1978 stood at 57 per cent.

*The pre-tax profits of the non-*insurance subsidiary, Grovewood Securities, amounted to £11.2m, *a rise of 57 per cent over 1977.* Since it joined the group in 1975, pre-tax profits have trebled. *Profits from the long-term funds* advanced significantly; last-year from £8m to £9.4m.

● comment

The underwriting losses last year at Eagle Star turned out to be not so bad as expected, even though at £10m they were double those of 1977. As the most UK-oriented of the composites, it was hit by the bad weather on the household and motor accounts. But a much better second-half result ensured that the first-half loss of £9m did *no appreciably worsen overall.* The company's process of converting all its household policies to an index-linked basis should begin to bite this year, leading to higher premium income without a significant change in liability. A motor rate increase on January 1 only six months after the previous rise, with the possibility of another later this year, should cut UK underwriting losses. The market was relieved with the results and the share price rose 7p to 164p for a yield of 6.4 per cent.

Talbex runs into loss midway

DIFFICULT TRADING conditions, together with *strikes and* bad weather, resulted in Talbex Group turning in a £49,000 loss in the six months to *January 31,* 1979. Last time there was a £245,000 surplus.

Half-yearly turnover rose from £4.99m to £6.47m. In the last full year, taxable profits were £572,000.

Mr. S. H. Lunt, executive chairman, says that the industrial hygiene and contract packing divisions operated in a difficult trading climate, with orders postponed and profit margins eroded.

Strikes — particularly the *transport drivers' dispute* — and bad weather also contributed to the disappointing figures. In *addition,* the Skelton Group results to January 31 were not up to expectations and the Board *will* consider its position under its purchase agreement in due course.

Profits were made by the rubber manufacturing company, while the hairdressing salons and hairdressing school contribution was materially higher.

Trading companies' order books have improved significantly and profit margins are recovering, Mr. Lunt adds.

It is intended to pay a dividend *for* the year of *not* less than the 0.55p net last time.

The figures include a £98,000 surplus arising from the sale and lease back of the Crowborough factory of A. P. Skelton (M. and G.) and, as a result of third party contributions, a £59,000 surplus from the purchase and sale of shares in Hoskins and Horton.

No tax charge is anticipated.

MINING NEWS

Kloof and Libanon lift quarterly profits

BY KENNETH MARSTON, MINING EDITOR

THIS YEAR'S quarterly reporting season from the South African gold mines is opened with a set of satisfactory, if not exciting, March quarter net profits from the Consolidated Gold Fields group. The main factor is the higher gold price received which has averaged around $240 per ounce compared with about $218 in the previous three months.

In January, the South African rand parted company with the U.S. dollar to which it was previously tied at the rate of R1 to $1.15. Since then the *rand* has appreciated a little against the dollar to around $1.18.

Consequently, the South African mines which sell their gold for dollars have received a slightly adverse exchange rate but they have still earned more in the past quarter because of the overall rise in the bullion price. In fact, the Gold Fields producers have received an increase of 7.7 per cent to an average price of R6,547 per kilogramme.

The one-week strike of white miners in March has not affected production of the group's mines in the past quarter, but taking advantage of the high gold price they have tended to mine more of the lower-grade ore with a resultant fall of 1.5 per cent in gold output. Working costs have *increased* modestly by an average of 1.2 per cent, while profits have benefited from the March budget's reduction in tax and loan levy.

In the accompanying table of March-quarter net profits, Kloof and Libanon make a good showing. Exceptionally, East Driefontein ran into a higher tax charge last quarter which converted an increase in pre-tax profit to a fall in the net figure. West Driefontein's higher profit from gold was offset by a fall in that from uranium.

	March qtr.	Dec. qtr.	Sept. qtr.
Doornfontein	4,040	3,930	2,991
East Driefontein	28,259	30,811	22,813
Kloof	*14,036*	*12,404*	*10,940*
Libanon	4,894	4,795	4,133
Venterspost	‡1,102	‡1,310	†792
Vlakfontein	330	353	148
West Driefontein	27,144	28,227	25,797

† After receipt of state aid. ‡ After state aid repayment.

Rustenburg builds up steam

UNDERLINING the return *from* rags to riches in the platinum industry the world's leading producer, South Africa's Rustenburg Platinum Holdings, announces a pre-tax profit for the *six months to February 28 of* R45.9m (£25.9m) compared with only R1.2m a year ago.

After deducting tax, the latest half-year net profit comes out at R24.4m, equal to 19.8 cents per share, against R300,000 in the same half of the year to last August. However, the subsequent recovery lifted 1977-78 total earnings to R25.8m.

An interim dividend of 5 cents is declared for the current year to August 31. In 1977-78 there was only a final of 8 cents while in the previous year an interim of 3.5 cents was paid but there was no final.

The advance in profits during *the past half-year has mirrored* the strength of platinum prices. During the period Rustenburg's *selling level has* been raised from $250 per ounce to $325. Current prices on the free market are around $390.

At the same time, Rustenburg's re-negotiated agreement with Engelhard Minerals and Chemicals, which resulted in an additional revenue of R5.69m *in* 1977-78, has produced a further increase of some R2m in the first two months of the current financial year. Group production has increased in the latest period by some 16 per cent while costs have risen by 5 per *cent.*

● comment

Rustenburg is now building up to a full head of steam. Production capacity of the group mines will be increased to 1.2m ounces per annum this year and output is to be raised to this level *in order to meet the auto*mobile industry commitments. The group expects that industrial and jewellery demand will remain firm while that from the U.S. automobile industry will show a further increase in the second half of this year. It seems possible therefore, that Rustenburg's total earnings for the year to August 31 could rise above 45 cents per share. Following the modest 5 cents dividend now declared a generous final would be needed *to provide an* attractive yield; at the current cum-premium price of 137p a year's *total* of 15 cents would give only 6.4 per cent. A buyer would thus be looking ahead to continuing strength in the platinum market and he might well be justified in view of the current strength of demand which looks like continuing to exceed Western *world production* for a long while yet. However, it remains to be seen how *well* the market will absorb supplies of Russian platinum when they eventually return in force. One reason why they have dwindled in recent times is that the Russian mines contain sizeable proportions of both platinum and nickel and they *have been reducing production* because of the oversupply position in nickel. The latter market, however, is now starting to recover.

QUEENSLAND AND KATHLEEN STOCK "WORTH DOUBLE"

A valuation ordered by the boards of Australia's Queensland Mines and its controlling shareholder, Kathleen Investments (Australia), suggests the shares *of both uranium companies are* worth more than twice the price they are fetching on the market, reports James Forth from Sydney.

Merchant Bank, BT Australia, valued QML at between A$141.6m (£75.3m) and A$151.4m, or between A$7.37 (392p) and A$7.88 a share. Kathleen Investments, which owns 50 per cent *of the capital of QML*, was valued at A$80.7m to A$85.6m, or between A$6.55 and A$6.95 a share.

Directors of the two companies claimed that the valuations were obtained to inform shareholders and the sharemarket generally of the underlying value of the shares as assessed by an independent valuer.

BT stressed that their values ignore future dividend policy and were appropriate only to the price a corporate buyer would pay for control over the assets, future income and cash flow of the companies.

It assumed a price of US$44 a pound for future sales of uranium oxide under existing contracts and for the balance of production not committed to replacement of Government stockpiles.

BT arrived at its valuations upon the basis of a discounted cash flow evaluation, using varying discount rates. The share market responded to the valuations yesterday by marking Kathleen Investments up 20 cents to A$3.45 and QML up 20 cents to A$3.30.

GEEVOR TIN—March output: 11,822 tonnes ore treated produced 106 tonnes Black tin (65 per cent Sn), including 14 tonnes low grade concentrates. February 102 tonnes.

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CURRENCIES, MONEY AND GOLD

Pound and dollar lose ground

Sterling and the U.S. dollar both lost ground in yesterday's foreign exchange market, with trading at a much lower level than earlier in the week, reflecting the nearness of the Easter holidays. Sterling's trade weighted index fell quite sharply to 67.3 at the close from 67.8 on Tuesday. The noon calculation had shown very little change at 67.7 compared with 67.9 in the morning. There appeared to be no clear cut reason for the pound's fall, although the annualised rise of 12.8 per cent to March in the UK Price Commission Index hardly gave room for encouragement. Dealers also suggested that demand for sterling may have fallen and this may have prompted some switching out of long positions.

The pound opened at $2.1010 and even at 3 pm, it was fairly steady at $2.0975. Soon after it fell to $2.0865 but recovered to $2.0865-$2.0875 at the close, a fall of 1¼c.

The dollar was also weaker and finished on or around its lowest level for the day. Against the Swiss franc it eased to SwFr 1.7140 from SwFr 1.7175 and DM 1.8930 from DM 1.8980 in terms of the D-mark. On Bank of England figures, the dollar's index fell from 85.4 to 85.3.

The Irish punt finished unchanged against the dollar at $2.0175 but lost ground against the D-mark to DM 3.8195 from DM 3.83224, the French franc to FFr 8.7580 from FFr 8.7900, the Italian lira to L1,697 from L1,699, the Belgian franc to BFr 60.52½ from BFr 60.62¼, and the Dutch guilder to Fl 4.1318 from Fl 4.1380. Against the Danish krone, it was unchanged at DKr 10.66.

The Italian lira improved from Tuesday, in terms of its ECU central rate and remained the strongest currency within the European Monetary System. The Belgian franc remained the weakest member and fell to its lowest permitted level against the Danish krone.

FRANKFURT—There was no intervention by the Bundesbank when the dollar was fixed at DM 1.8974 (DM 1.8962). Trading was generally light ahead of Easter weekend.

AMSTERDAM—Dollar fixed at Fl 2.0496 (Fl 2.0470).

MILAN—The lira improved against sterling and EMS currencies but lost ground to the dollar, which was fixed at L842.2 (L841.7). The D-mark eased to L443.65 (DM444.49), with sterling below Tuesday's all-time high of L1,769.15 at L1,768.20.

TOKYO—The dollar showed a slight loss against the Japanese yen and closed at Y213.425, compared with Y213.675 on Tuesday. An initially easier tendency reflected the dollar's earlier performance against the yen in other centres. However, interest for the U.S. unit increased during the afternoon with demand for import settlements and some position squaring by banks. The prospect of a possible increase in the discount rate appeared to have little effect on the market.

THE POUND SPOT AND FORWARD

April 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0850-2.1020	2.0865-2.0875	0.30-0.20c pm	1.44	0.50-0.40 pm	0.86
Canada	2.3920-2.4120	2.3935-2.3945	0.25-0.15c pm	1.00	0.45-0.35 pm	0.67
Nethlnd.	4.27-4.32½	4.27¾-4.28¾	2⅛-1⅛c pm	4.56	5-4 pm	4.21
Belgium	62.50-63.40	62.55-62.65	30-20c pm	4.78	65-55 pm	3.83
Denmark	11.01-11.11	11.01½-11.02½	2½-½ore pm	1.38	2¾-¼ pm	0.64
Ireland	1.0355-1.0435	1.0357-1.0367	0.10-0.20p dis	−1.74	0.18-0.26dis	−1.83
W. Ger.	3.94½-4.00½	3.94½-3.95½	2¾-1¾pf pm	7.08	6⅞-5⅞ pm	6.20
Portugal	101.40-102.70	101.50-101.80	60-110c dis	−8.44	140-260 dis	−7.87
Spain	143.05-144.20	143.10-143.20	20c pm-30c dis	−4.19	25pm-75dis	−0.70
Italy	1,753½-1,767½	1,754-1,765	2 lire pm-par	0.68	2½-4½ dis	−0.80
Norway	10.72-10.81	10.72½-10.73½	3¾-1¾ore pm	2.52	5¾-3¾ pm	1.77
France	9.05½-9.17½	9.06-9.07	3¾-2¾c pm	4.30	8¾-7¾ pm	3.64
Sweden	9.14½-9.23	9.15-9.16	3-1ore pm	2.62	5¾-3¾ pm	2.08
Japan	442-450	443½-444½	3.10-2.75y pm	6.20	7.80-7.35 pm	6.83
Austria	29.05-29.35	29.05-29.70	20-10gro pm	6.19	50-40 pm	6.19
Switz.	3.57-3.63	3.57½-3.58½	3½-2½c pm	10.06	9⅞-8⅞ pm	10.47

Belgium rate is for convertible francs. Financial franc 63.70-63.80. Six-month forward dollar 0.70-0.60c pm; 12-month 1.15-1.05c pm.

THE DOLLAR SPOT AND FORWARD

April 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.0850-2.1020	2.0865-2.0875	0.30-0.20c pm	1.44	0.50-0.40 pm	0.86
Ireland†	2.0150-2.0215	2.0150-2.0200	0.65-0.40c pm	3.12	1.50-1.20 pm	2.68
Canada†	87.10-87.16	87.13-87.16	0.65-0.55c pm	3.52	0.09-0.06 pm	0.34
Nethlnd.	2.0463-2.0490	2.0470-2.0490	0.05-0.03c pm	0.56	1.90-1.80 pm	3.61
Belgium	29.98-30.05	29.98-30.01	8½-7½c pm	3.20	24-22½ pm	3.10
Denmark	5.2760-5.2805	5.2760-5.2785	0.25c pm-0.25c dis	—	0.05-0.55dis	−0.23
W. Ger.	1.8915-1.9040	1.8925-1.8935	0.88-0.78pf pm	5.26	2.61-2.51 pm	5.41
Portugal	48.68-48.70	48.70-48.75	35-50c dis	−10.47	100-165dis	−10.88
Spain	68.54-68.68	68.54-68.59	30-40c dis	−6.12	80-90 dis	−4.96
Italy	840.10-841.50	841.10-841.50	1.30-1.80lire dis	−2.21	3.10-3.70dis	−1.62
Norway	5.1350-5.1430	5.1350-5.1380	0.75-0.25ore pm	1.17	1.50-1.00 pm	0.97
France	4.3425-4.3535	4.3425-4.3475	1.20-1.10c pm	3.18	3.20-3.00 pm	2.85
Sweden	4.3880-4.3890	4.3880-4.3890	0.80-0.60ore pm	1.91	1.60-1.40 pm	1.37
Japan	212.20-213.50	212.55-212.65	1.15-1.05y pm	6.21	3.15-3.05 pm	5.83
Austria	13.923-13.931	13.923-13.928	6.75-6.00gro pm	5.49	20.0-18.0 pm	5.46
Switz.	1.7120-1.7230	1.7135-1.7145	1.37-1.27c pm	9.24	4.20-4.10 pm	9.68

† UK, Ireland and Canada are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 10	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.608532	0.637655
U.S. $	9½	1.28014	1.34003
Canadian $	11¼	1.46653	1.53983
Austria Sch.	3¾	17.8099	18.6398
Belgian F	6	38.4618	40.2144
Danish K	8	6.75408	7.06197
D mark	4	2.42612	2.53842
Guilder	6½	2.62931	2.74102
French Fr	9½	5.58925	5.82548
Lira	10½	1077.56	1127.91
Yen	3½	275.310	284.717
Nrwgn. K	7	6.59272	6.87571
Spanish Pes.	8	87.7741	91.2396
Swedish Kr	6½	Unavail.	5.87651
Swiss Fr	1	2.20038	2.30218

CURRENCY MOVEMENTS

Apr. 11	Bank of England Index	Morgan Guaranty changes %
Sterling	67.3	−37.2
U.S. dollar	85.3	−8.4
Canadian dollar	82.4	−15.4
Austrian schilling	145.0	+18.5
Belgian franc	113.6	+13.7
Danish kroner	116.6	+5.7
Deutsche Mark	148.9	+41.1
Swiss franc	192.8	+79.5
Guilder	124.1	+19.7
French franc	98.3	−5.8
Lira	54.8	−48.7
Yen	136.0	+34.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Apr. 11	£	$		Note Rates
Argentina Peso	2441-2481	1170-1190	Austria	29.50
Australia Dollar	1.8650-1.8670	0.9020-0.9040	Belgium	63¼-64¼
Brazil Cruzeiro	48.15-48.35	23.05-23.15	Denmark	11.05-11.15
Finland Markka	8.39-8.40	3.9963-3.9983	France	9.10-9.20
Greek Drachma	76.666-78.723	36.494-37.356	Germany	3.95-4.05
Hong Kong Dollar	10.72½-10.74½	5.1525-5.1625	Italy	1,750-1,790
Iran Rial	150.25-155.50	72-73	Japan	447-457
Kuwait Dinar(KD)	0.576-0.586	0.2760-0.2770	Netherlands	4.25-4.35
Luxembourg Frc.	63.10-63.20	29.90-30.01	Norway	10.75-10.85
Malaysia Dollar	4.6310-4.6410	2.2170-2.2190	Portugal	98-102
New Zealand Dlr.	1.9845-1.9905	0.9510-0.9535	Spain	142.50-145.50
Saudi Arab. Riyal	7.05-7.15	3.3800-3.3820	Switzerland	3.50-3.70
Singapore Dollar	4.5810-4.6410	2.1980-2.1990	United States	2.1000-2.1100
Sth. African Rand	1.771-1.781	0.8480-0.8520	Yugoslavia	42-45½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 11	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.4582	40.2170	+1.92	+1.25	±1.53
Danish Krone	7.08592	7.06722	−0.36	−1.01	±1.635
German D-mark	2.51064	2.53887	+1.73	+0.46	±1.1325
French Franc	5.79831	5.82595	+0.48	−0.14	±1.35
Dutch Guilder	2.72077	2.74087	+0.74	+0.14	±1.5075
Irish Punt	0.662638	0.665392	+0.42	−0.05	±1.665
Italian Lira	1148.15	1125.48	[illegible]	[illegible]	±4.0829

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Apr. 11	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.087	3.953	445.5	9.065	3.580	4.278	1755.	2.394	62.60
U.S. Dollar	0.479	1.	1.894	213.5	4.344	1.716	2.050	840.7	1.147	30.00
Deutschemark	0.253	0.528	1.	112.8	2.293	0.906	1.082	443.9	0.605	15.86
Japanese Yen 1,000	2.245	4.686	8.867	1000.	20.43	8.056	9.559	3924.	5.336	141.1
French Franc 10	1.103	2.302	4.360	490.9	10.	3.949	4.718	1932.	2.641	69.05
Swiss Franc	0.279	0.583	1.104	124.2	2.532	1.	1.195	490.1	0.669	17.49
Dutch Guilder	0.234	0.488	0.925	104.2	2.119	0.837	1.	410.2	0.560	14.63
Italian Lira 1,000	0.570	1.190	2.253	253.9	5.167	2.040	2.438	1000.	1.364	35.66
Canadian Dollar	0.418	0.872	1.651	186.1	3.787	1.495	1.787	733.9	1.	26.15
Belgian Franc 100	1.598	3.334	6.314	711.6	14.46	5.719	6.833	2805.	3.824	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.50-10.60 per cent; three months 10.65-10.75 per cent; six months 10.85-10.95 per cent; one year 10.75-10.85 per cent.

Apr. 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	12-12¼	10⅛-10⅜	9½-10½	7¼-7½	¼-⅞	5¼-5½	6⅝-6⅞	11-12	—	-1½-½
7 day's notice	11⅞-12⅛	10¼-10½	9½-10½	7¼-7½	⅞-1	5⅛-5⅜	6⅝-6⅞	11¼-12¼	10⅜-10½	2⅜-3⅜
Month	11⅝-11¾	10⅜-10⅝	10⅝-11	6⅞-7⅛	1-1⅛	5¼-5½	7¼-7½	11½-12½	10⅜-10⅝	3⅞-4⅛
Three months	11⅝-11⅞	10⅝-11	10½-11⅛	7¼-7⅜	1⅛-1¼	5⅜-5⅝	7⅞-8⅛	11¾-12¾	10⅞-11	4⅜-5⅛
Six months	11⅞-11⅞	10⅞-11⅛	10⅞-10⅞	7¼-7⅞	1⅞-2	5⅜-5⅝	8⅛-8⅜	12¼-13¼	11⅛-11⅛	5¼-5⅝
One year	10⅞-11	10⅜-11	10⅛-10⅜	7⅜-7⅞	2⅛-2¼	5⅜-5⅝	9-9¼	12¾-13¾	10⅞-11	6¼-6⅝

Long-term Eurodollar deposits: two years 10 7/16-10 9/16 per cent; three years 10 7/16-10 9/16 per cent; four years 10-10¼ per cent; five years 10-10¼ per cent, nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates steady

European interest rates remained very steady yesterday. In Brussels the one-month deposit rate for the Belgian franc was unchanged at 7¼-7½ per cent, and three-month money was unchanged at 7¾-8 per cent. Six-month was quoted at 7⅞-8⅛ per cent, compared with 8-8¼ per cent, while 12-month was unchanged at 8⅛-8⅜ per cent. Belgium's foreign currency reserves fell during the week ended this Monday, as the Belgian National Bank gave support to its currency. The central bank spent BFr 1.788bn to defend the Belgian franc against the Danish krone, compared with BFr 1.415bn the previous week. Funds were taken from European Currency Unit reserves, which stood at BFr 67.616bn yesterday.

PARIS — Day-to-day money rose to 6⅝ per cent from 6½ per cent, and one-month to 6⅞-6⅞ per cent from 6 11/16-6 13/16 per cent. Three-month funds were unchanged at 6 15/16-7 1/16 per cent; six-month at 7¼-7⅜ per cent; and 12-month at 7⅝-7¾ per cent.

FRANKFURT — Call money was quoted at 5.35-5.40 per cent, compared with 5.35-5.45 per cent previously. One-month was unchanged at 5.40-5.50 per cent, while three-month fell to 5.55-5.65 per cent from 5.60-5.70 per cent. Six-month was 5.75-5.80 per cent, compared with 5.70-5.80 per cent, and 12-month 6.00-6.20 per cent against 6.00-6.10 per cent. The Bundesbank's net monetary reserves fell by DM 1.4bn to DM 85.9bn in the week ended last Saturday, reflecting payments under swap arrangements between Germany and the U.S. Federal Reserve.

AMSTERDAM — Money market rates were unchanged, with call at 7-7¼ per cent, and one-month, two-month and three-month at 7¼-7½ per cent.

HONG KONG — The money market was easy, with call money at 9⅞ per cent, and overnight at 9 per cent.

UK MONEY MARKET

Large assistance

Bank of England Minimum Lending Rate 12 per cent (since April 5, 1979)

The Bank of England lent money to the discount houses for seven days yesterday, but there was no message from the authorities, and the market was left to draw its own conclusions on the method of intervention. Short-term interest rates were generally firmer in late trading, and may have also gained some upward momentum from the weakness of sterling towards the close, which seemed to follow the rise in the price commission index published yesterday.

With day-to-day credit in short supply the authorities lent a small amount overnight, and a moderate amount for seven days, to five or six houses at Minimum Lending Rate. The total amount of assistance was large.

Banks brought forward small surplus balances, there was a slight fall in the note circulation, and the market was also helped by a small excess of Government disbursements over revenue payments to the Exchequer. A fairly large adverse factor was the demand for Exchequer 11 per cent 1991, which was oversubscribed at the tender, and there was also a moderate net take-up of Treasury bills and local authority bills to finance.

Discount houses paid 11½-11¾ per cent for secured call loans, with closing balances found at 11½-12 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

Apr. 11 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	11¾-12	—	—	—	12¼	10-11¾	—	—	—
2 days notice	—	—	11⅞-12	—	—	—	—	—	—	—
2 days or ...	—	—	—	—	—	—	—	—	—	—
7 days notice	—	11¾-12⅛	11⅞-12	—	12	12¼	11½-11¾	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	12	12¼	[illegible]	11⅝	[illegible]	12¼
Two months	[illegible]	[illegible]	[illegible]	[illegible]	12	—	[illegible]	—	[illegible]	12⅛
Three months	[illegible]	[illegible]	[illegible]	[illegible]	12	[illegible]	[illegible]	[illegible]	[illegible]	12
Six months	[illegible]	[illegible]	[illegible]	[illegible]	12	—	—	—	—	12
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	11¾-12¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rates nominally three years 11⅝-11⅞ per cent; four years 11⅞-12 per cent; five years 11⅞-12 per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 10⅝-10¾ per cent; four-month trade bills 11¾-12 per cent.

Approximate selling rates for one-month Treasury bills 11⅛-11⅞ per cent; two-month 11⅛-11⅞ per cent; three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent; two-month [illegible] per cent; three-month [illegible] per cent; one-month trade bills 12¼ per cent; two-month 12 per cent; and three-month 11¾ per cent.

Finance House Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice [illegible] per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.1890 per cent.

GOLD

Further fall

Gold traded steadily in the London bullion market yesterday until the opening of U.S. centres. Shortly before, the metal had been quoted at around $238½ but soon fell to a low of $235¼-$236¼ before closing at $236-236¾, a loss of $2¾ an ounce. The Krugerrand's premium over its gold content narrowed to 8.83 per cent from 9.35 per cent for domestic delivery and to 3.33 per cent from 3.50 per cent in the international market.

	Apr. 11	Apr. 10
Gold Bullion (fine ounce)		
Close	$236-236¾ (£113.1-113.4)	$238¾-239½ (£113.6-113.9)
Opening	$239-239½ (£113.8-114.2)	$239¼-240 (£113.8-114.1)
Morning fixing	$239.10 (£115.873)	$239.60 (£114.079)
Afternoon fixing	$238.35 (£113.608)	$239.75 (£113.879)
Gold Coins, domestically		
Krugerrand	$255¼-259¼ (£122¼-124¼)	$259½-263½ (£123¼-125¼)
New Sovereigns	$66¼-68¼ (£32-33)	$68½-70½ (£32½-33½)
Old Sovereigns	$73¼-75¼ (£35-36)	$73¾-75¾ (£35-36)
Gold Coins, internationally		
Krugerrand	$243¼-245¼ (£116¼-117¼)	$246½-248½ (£117¼-118¼)
New Sovereigns	$62-65 (£29¾-30¾)	$62¼-64¼ (£29½-30½)
Old Sovereigns	$73¼-75¼ (£35-36)	$73¾-75¾ (£35-36)
$20 Eagles	$317½-322½	$318½-323½
$10 Eagles	$182-187	$183-188
$5 Eagles	$120-125	$121-126

In Paris the 12½-kilo bar was fixed at FFr 33,900 per kilo ($242.13 per ounce) compared with FFr 33,875 ($242.14) in the morning and FFr 33,900 ($242.36) on Tuesday morning.

In Frankfurt the 12½-kilo bar was fixed at DM 14,630 per kilo ($239.79 per ounce) against DM 14,610 ($239.78) previously.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.1875
Treasury Bills (13-week)	9.76
Treasury Bills (26-week)	9.66

GERMANY

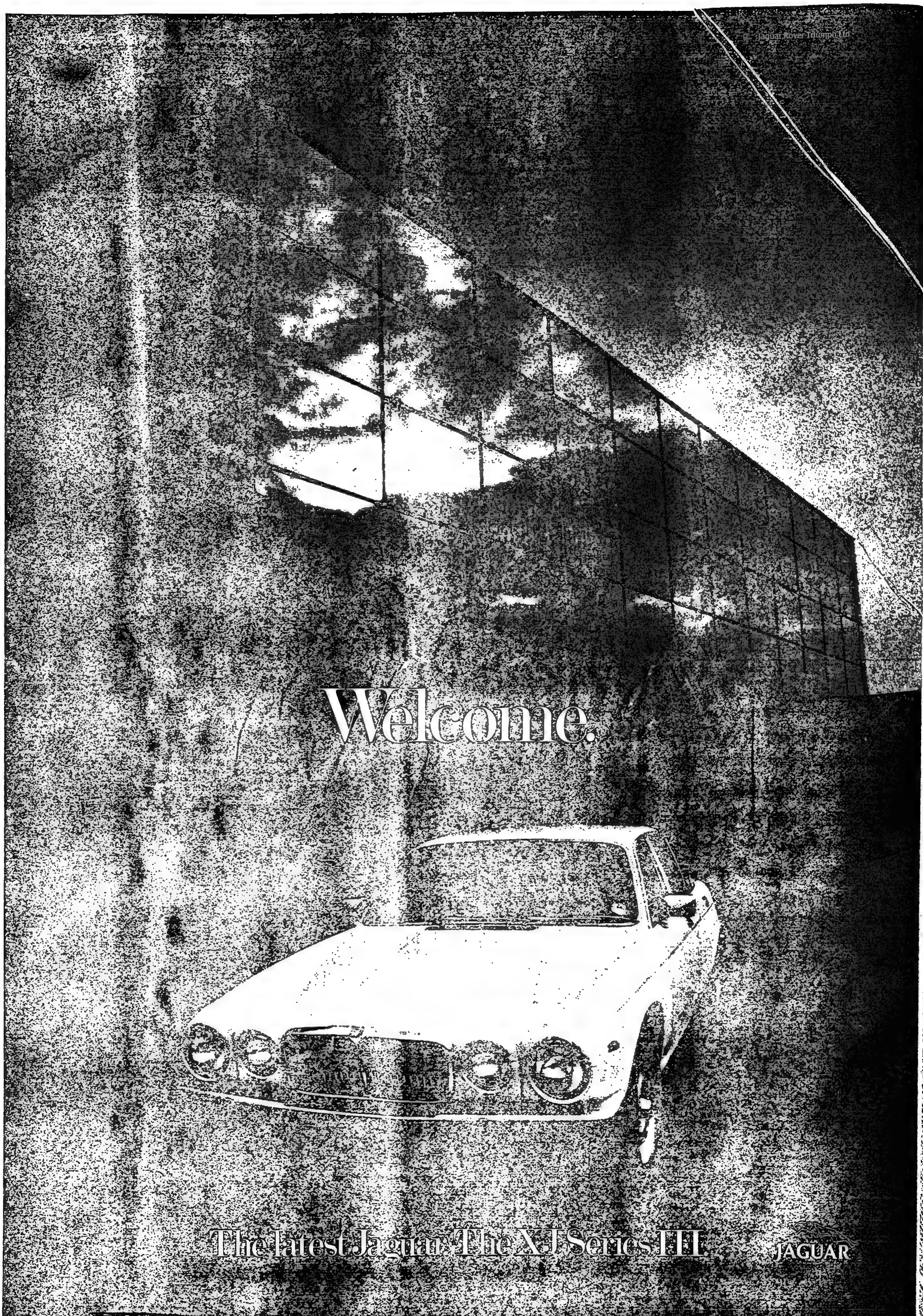
Discount Rate	4
Overnight Rate	5.375
One month	5.45
Three months	5.60
Six months	5.775

FRANCE

Discount Rate	9.5
Overnight Rate	6.625
One month	6.8125
Three months	7
Six months	7.3125

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.6875
Bills Discount (three-month)	5.375



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NORTH AMERICAN NEWS

Sharp acceleration in pace of growth at GE

BY JOHN WYLES IN NEW YORK

GENERAL ELECTRIC COMPANY'S rate of earnings growth accelerated in the first quarter despite widespread expectations of a slowdown.

After an eight per cent profits gain in last year's fourth quarter and a 12 per cent advance for the year, GE has kicked off 1979 with a 22 per cent increase in net income over last year's first three months. This was a higher increase than was achieved in any of last year's four quarters, and is better than many analysts expected.

But it reflects, among other things, greater strength in many of GE's markets than had been anticipated. Mr. Reginald Jones, GE's chairman, said yesterday that the first quarter figures were due principally to higher sales on which strong operating margin rates were maintained. He added that higher interest earnings together with a somewhat reduced federal income tax rate also helped.

First quarter net income was $303.4m or $1.33 per share compared with $247.8m or $1.09 per share. Sales rose 14 per cent to $5.08bn.

Mr. Jones remained confident yesterday that GE's 1979 results would be higher than last year's $5.39 per share, but warned that the company's economists continue to forecast a slowdown in the U.S. economy in the second half.

Turning to the various segments of GE's business, Mr. Jones said consumer products and services enjoyed good sales increases and yielded earnings well ahead of last year. In addition, GE's non-consolidated finance affiliate, General Electric Credit Corporation raised its earnings 21 per cent to $19.6m.

Sales and earnings on industrial products were higher, while power systems' earnings increased on sales similar to last year's. Mr. Jones said that substantial increases in aircraft engine sales and earnings helped technical systems and materials to a sharp improvement in earnings.

Higher prices from the company's Canadian copper operations largely accounted for an increase in the natural resources division's earnings from $48m to $51.8m.

Good start for computer groups

THREE MAJOR computer industry groups yesterday reported significant increases in profits in the first quarter of this year.

International Business Machines (IBM), the world's largest manufacturer of busines machines, pushed earnings ahead by 13 per cent to $666.8m in the first quarter, or from $4.01 to $4.57 a share.

Gross income rose by 19.4 per cent to $5.29bn. The company said that purchases of data processing equipment rose "substantially" in the first quarter. Incoming orders showed "good gains"

● NCR's earnings jumped by 78 per cent to $30.1m. The company warned, however, that although 1979 will be "another good year" the rate of increase of the first quarter will not be maintained for the rest of the year. Sales in the first quarter rose by 16.8 per cent to $590.5m.

At Control Data Corporation, the first quarter brought a gain of 60.1 per centto $24.6m in net earnings, with sales 18.7 per cent higher at $717m.

Mr. William C. Norris, chairman, said that both the computer business and financial services contributed to the gains in revenue and earnings.

Agencies

Strong gain in Mead income

BY OUR FINANCIAL STAFF

MEAD COROPORATION, the forest products company which was the target of an unsuccessful $1bn take-over bid by Occidental Petroleum last year, raised its net income for the first quarter of 1979 by 46.3 per cent to $30.37m, or $1.17 a share, from $20.76m, or 88 cents, in the first quarter last year.

The profits growth was considerably faster than that in turnover—with sales increasing by 18.5 per cent to $618.8m from $522m.

The second quarter should also produce good earnings, Mead said. For the second quarter of last year earnings were $31.3m, on sales of $590.8m.

The company attributed the gains in the first quarter to continued improvement in operations, as well as to the strength of the economy.

Improvements in the world pulp market and strong demand for paper, packaging products and lumber were significant factors in producing the higher earnings, according to Mead.

Fully diluted earnings — amounting to $1.12, against 75 cents, in the first quarter—were a beter guide than primary to the trend in earnings per share, Mead said, because about 70 per cent of the company's convertible preferred shares outstanding at the beginning of 1978 had been converted voluntarily to common shares or were repurchased last year.

Increase in first quarter at J. P. Morgan

By David Lascelles in New York

J. P. MORGAN, parent of Morgan Guaranty, yesterday reported a 16.5 per cent rise in earnings in the first quarter, from $59.6m on $1.46 per share to $69.4m on $1.70.

Most of the increase came from a rise in net interest earnings, from $172.7m to $206.2m. Due to a rise in interest-bearing assets from $25.1bn to $29.8bn, most of it foreign and domestic loans, and deposits at banks.

Provision for possible credit losses during the quarter was $7.1m, down from $10.8m last year. Net losses from securities transactions were $9.2m

The San Francisco-based Bancal Tri-State reported a rise in operating income from $4.48m to $4.73m, or from 82 cents a share to 95 cents fully diluted.

After securities transactions, the California bank had net income of $4.57m or 92 cents a share against $4.54m or 82 cents a share.

RESULTS IN BRIEF

Improvement at United Technologies

NEW YORK — Net earnings for United Technologies for the first quarter improved substantially to $70.83m from $52.95m. Sales for the aviation and electrical equipment manufacturer moved to $1.79bn from a corresponding $1.47bn. Per share earnings rose to $1.34 from $1.14. The company's backlog at the end of the quarter totalled $9.2bn, an increase of 34 per cent.

Earnings per share for the sweet manufacturer Russell Stover Candies improved to $1.90 from $1.44 for the first quarter, whereas a drop in earnings was experienced by the Federal National Mortgage Association (Fannie Mae) with 70 cents per share compared with 96 cents.

The specialist steels manufacturer, Copperweld Corporation, more than doubled its earnings per share in the first quarter with $1.25 compared with 61 cents.

Agencies

INTERNATIONAL CAPITAL MARKETS

Treasury bond yields at peak levels

BY OUR NEW YORK STAFF

FEARS OF an imminent tightening in monetary policy have pushed the yield on a new 15-year U.S. Treasury bond issue to a record level for a long term government security.

The slide in the credit markets which began last Friday has accelerated this week in anticipation that the Federal Reserve Board's open market committee will decide next Tuesday to raise short term money market rates for the first time in more than three months.

Reports that the Administration favours this move because of signs that the economy is overheating in the midst of high inflation are also heightening fears of a recession on Wall Street.

Against this background, the Treasury disclosed late on Tuesday that its sale of $1.5bn 15-year bonds produced an average yield of 9.14 per cent. In secondary trading, the bonds have slipped slightly in price to raise the yield even further.

Wall Street now expects the Fed to raise the target on the economy's key short term interest rate, the Fed funds rate, from 10 per cent. But opinion is divided as to how high the Fed will go in setting a new rate on the overnight funds lent between banks.

Some economists, who take the view propounded on Tuesday by Mr. Michael Blumenthal, the Treasury Secretary, that the economy needs to be cooled down, argue the case for a substantial increase in the Fed funds rate of half a per cent or more.

Others, however, think it unlikely that the Fed will opt for more than a quarter per cent because of the consistently cautious approach favoured by the central bank for more than a year. Dr. Bill Griggs, of J. Henry Schoder Bank and Trust Company, said yesterday that the first quarter growth rate would be less than half the 7.1 per cent of last year's fourth quarter, and that this evidence that the economy is already slowing will make the Fed anxious to avoid sparking off a full-scale recession.

Business had clearly built up inventories in the first quarter, said Dr. Griggs, but not to problem levels. Consumer spending was clearly weakening, and the rate of housebuilding was also coming down.

This was likely to produce the "soft landing" which the Administration desires, said Dr. Griggs, which meant that the economy would grow much more slowly

Among other things, the Treasury is said to be worried that a capital spending boom is getting under way, although some private economists claim this is not the case. They add that at least half of Mr. Blumenthal's battle for higher interest rates is aimed at reigning in the economy, and even risking a recession, within the next few months rather than at the start of next year's presidential election campaign.

International Paper profits soar

By Our New York Staff

PRICE INCREASES, coupled with strong demand for a broad range of its products, have carried International Paper, the world's largest papermaker, to a 47.6 per cent increase in first quarter operating profits.

Thus IP is continuing to enjoy the earnings recovery which became evident last year. On a strict quarter-to-quarter comparison, profits in the first three months of the year rose from $57.9m or $1.23 per share to $85.5m on $1.79 per share.

However, a gain of $95m realised from the sale of a pulp and paper complex and associated woodlands in Florida swelled the quarter's profits to $180.5m or $3.78 per share.Sales rose 8.8 per cent from $924m to $1.06bn.

The profits total included $2.9m from the oil and gas operations of IP's subsidiary General Crude Oil which has been sold to Mobil Oil Corporation for $800m. It also included $15m gains from land transactions,

Mr. J. Stanford Smith, the company's chairman and chief executive officer, reported yesterday that orders were particularly strong for white papers, chemical cellulose, paper pulp, industrial papers, bags and sacks, corrugated containers and bleached board.

Further falls in Eurobonds

BY JOHN EVANS

INTEREST RATES pushed up sharply in Eurodollar interbank trading for the second day running, resulting in further price falls yesterday in the Eurodollar bond market.

Six-month Eurodollar deposit rates rose at one point to 11$\frac{1}{16}$ per cent, their highest in some weeks, helping to aggravate negative carrying costs in dollar bonds.

Bond analysts believe that inflationary pressures in the U.S. economy may result in further credit-tightening decisions from th Federal Reserve's open market committee when it meets next week.

The latest surge in Eurodollar rates is anticipating a rise of at least ¼ to ½ percentage point in the Federal Funds rate, and the view is gaining ground in Europe that U.S. interest rates may be heading for their last big upward push before peaking out later this year.

However, not all market participants are sure that a further sharp rise in U.S. interest rates is inevitable. The U.S. authorities will be wary that excessive monetary policies could provoke a harsh domestic recession.

In Eurodollar bonds, prices eased by between ¼ and ½ point. The $100m EDF offering at par, which broke for trading last week, drifted down to 99-99¼ from a recent high of 99¾-99⅞.

An additional source of selling came from investors taking profits accrued during the recent period of price appreciation, analysts said. However, institutional activity was fairly limited.

Among new issues, the $40m 12-year Comalco Investments Europe flotation will be priced at par, bearing 10½ per cent annually, according to syndicate manager Morgan Stanley International. The bonds were trading later at 98½-⅝, a discount about equal to the full selling commission.

The SDR 50m five-year note issue for Finland has been priced at 99½, bearing 8¾ per cent to yield 8.88 per cent, syndicate manager Credit Suisse First Boston said.

In the Yankee bond market, the $200m 9¼ per cent Kingdom of Sweden notes were due for offering in New York yesterday at 99⅞ to yield 9¼ per cent. This is equal to 9.86 per cent, calculated o nthe yield basis used in Eurodollar Bonds.

The two-tranche Canadian dollar issue from the Royal Bank of Canada performed well, with heavy oversubscription reported for the shorter maturity. The C$40m seven-year 10 per cent bonds were priced at 100½ to yield 9.90 per cent, while the C$40m 15-year 10 per cent tranche was priced at par.

Other sectors were quiet yesterday, although rumours continued to circulate that a borrower is lined up to tap the Eurosterling market shortly.

Deutsche-Mark international issues were easier. Among new bonds entering the secondary market, the DM 150m ECSC offering, priced at par and bearing 7 per cent, drifted ¼ point lower to 98¼-½.

Canada plans offers

BY VICTOR MACKIE IN OTTAWA

THE CANADIAN Government is planning two new bond offering, Jean Chretien, the Finance Minister, announced. The first, to be taken up May 1, will be of long-term Government of Canada marketable bonds, details of which will be released next week.

The second, dated June 1, will be made later in May. On the date of this offering, a total of C$585m in 6.5 per cent bonds will mature.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on April 11

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	84¼	85	+0¼	+0¼	9.72
CECA 9¼ 84-89	50	96	96½	−0¼	0	9.79
Canada 9 83	400	97¾	98¼	−0¼	−0¼	9.38
Canada 9¼ 98	350	96⅞	97¼	0	0	9.61
Dow Chem. O/S 9¼ 94	200	97¼	98	−0¼	+0¼	9.51
EIB 9½ 88	125	98⅛	98⅝	+0¼	+0⅛	9.82
EIB 9¾ 88	150	99⅞	100⅜	−0⅛	−0¼	9.88
EIB 9⅞ 89	100	99⅞	100⅜	0	−0¼	10.10
Export Dv. Cpn. 9.85 84	150	100⅜	100⅞	−0⅛	−0⅛	9.87
Export Dv. Cpn. 9½ 84	100	97⅝	98⅛	−0⅜	−0⅝	9.81
Eksportfinans 9 86	50	96⅛	98⅛	−0⅛	−0¼	9.69
Finland 9 88	100	95	96⅛	−0⅛	−0⅛	10.00
Finland 9½ 86	100	97⅝	98	−0⅝	−0⅛	9.95
GTE Fin. 9½ 84	50	98⅝	98⅝	0	+0⅛	9.89
Gould Int. Fin. 9⅝ 85	50	98⅝	100	−0⅛	−0⅜	9.80
Hospital O/S 9 83	25	97⅝	98⅛	0	+0⅛	9.58
Hudson Bay Co. 10 84	50	100½	101⅛	−0⅛	0	9.88
Intl Finance 9½ 90	20	94¾	94⅞	0	−0⅛	10.56
J. C. Penney 8⅝ 83	100	95¾	96⅝	−0⅛	0	9.84
Manitoba 9⅝ 89	75	97⅝	98⅛	−0⅛	+0⅛	9.84
New Brunswick 9⅞ 84	75	98⅝	98⅞	0	+0⅛	9.36
Newfoundland 10 84	50	99	99⅝	−0⅛	+0⅛	10.10
Norsk Hydro 9⅝ 94	50	96⅝	95⅝	0	−0⅛	9.83
Norway 9¾ 84	150	100⅛	100⅞	0	−0⅛	9.84
Portland 10 84	50	97⅝	97⅞	0	+0⅛	10.53
Redland Fin. XW 9⅞ 91	25	93⅞	93⅞	0	+0⅛	10.47
Sears Roebuck 9 82	150	98⅝	98⅞	−0⅛	0	9.55
Stockholm 9¾ 94	60	99⅝	100⅛	−0⅛	−0⅛	10.00
UK 8⅞ 93	150	95⅝	96	+0⅛	+0⅛	9.65

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5¾ 87	70	93	93⅝	0	−0⅛	6.61
Argentina 6½ 88	150	93⅛	93⅝	−0⅛	−0⅜	7.49
Australia 6 88	250	97⅛	97⅝	−0⅛	−1⅛	6.37
Austria 5½ 90	150	92	92½	+0⅛	−0⅛	6.73
Banco Desarrollo 7¼ 86	100	97⅛	97⅝	−0⅛	−0⅛	7.70
Bankamerica 5¾ 90	150	92⅛	93⅛	−0⅛	−1⅛	6.63
Bq. Ext. Algerie 7¾ 85	100	96⅝	97⅛	+0⅛	−0⅛	7.86
Brazil 7½ 87	150	99⅛	100	+0⅛	0	7.28
CECA 6 88	150	94⅞	95⅛	−0⅛	−0⅛	6.70
Ch. Manhtn. O/S 6 93	100	97⅛	97⅝	−0⅛	−0⅛	6.28
Copenhagen City 6 90	75	92⅝	92⅝	−0⅛	−0⅛	6.98
Council of Europe 6¼	130	95⅞	96⅛	−0⅛	+0⅛	6.81
Denmark 5¾ 85	100	96⅛	96⅞	−0⅛	−0⅛	6.46
Denmark 6¾ 89	100	96⅝	97	0	−0⅛	6.96
EIB 6 90	300	92⅝	93⅛	+0⅛	−0⅛	6.91
EIB 6¾ 91	200	96	96⅝	+0⅛	−0⅛	6.97
Eletrobras Brazil 7 87	100	96⅛	96⅝	0	−0⅛	7.63
Eurofima 6½ 89	100	99⅛	99⅝	−1⅛	−1⅛	6.57
Finland 6 83	150	99⅛	99⅝	0	−0⅛	6.15
Hitachi Ship. 5¾ 83	50	97⅛	97⅝	−0⅛	−0⅛	6.37
Indonesia 7 84	100	96½	97	−0½	−1⅛	7.74
Kobe, City of 5¾ 88	100	96⅛	96⅝	−0⅛	−1⅛	6.39
Megal Fin. 7 89	100	99⅛	99⅝	0	−0⅛	7.05
Mitsubishi Petro. 5¾ 85	100	96⅛	97⅛	0	−1⅛	6.35
New Zealand 6¼ 87	200	99⅛	99⅝	−0⅛	−0⅛	6.33
Nippon Kokan 7½ 84	100	99⅛	99⅝	0	−0⅛	7.65
Nippon Steel 5¾ 85	100	95	95½	−0⅛	−2⅛	6.88
Nippon Tel. & T. 5½ 87	100	93	93⅝	−0⅛	−1⅛	6.61
Nordic Inv. Bk. 6¾ 86	50	97⅛	98⅛	+0⅛	−0⅛	6.60
Norges Komm. 6 90	100	94⅛	94⅝	−0⅛	−0⅛	6.70
Norges Komm. 6⅝ 89	150	97⅛	97⅝	+0⅛	−0⅛	6.62
Norway 6¾ 84	200	100⅛	101⅛	0	−0⅛	5.96
Occidental 6¾ 90	150	96	96⅝	0	−0⅛	7.21
OKB 6½ 88	100	98⅛	99	0	−0⅛	6.57
OKB 6 87	40	97	97⅛	−0⅛	−0⅛	6.45
Petroleo Brazil 7 88	100	97⅛	98⅛	+0⅛	0	7.31
Ricoh 5¾ 83	30	96⅝	96⅞	−0⅛	−1	6.19
Statoil 6 88	150	95⅛	95⅝	−0⅛	−0⅛	6.65
Statoil 6½ 89	150	97⅛	98⅛	+0⅛	−0⅛	6.78
UDS Group 5¾ 83	65	96⅝	97⅛	+0⅛	−0⅛	6.55
Union Bank Finn 6½ 88	50	93⅛	94⅛	0	−0⅛	7.38
Venezuela 6½ 90	150	91	91½	−0⅛	−0⅛	7.66
World Bank 6¾ 88	400	96⅝	96⅞	+0⅛	−0⅛	6.84

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¼ 88	40	102⅛	103	−0⅛	−0⅛	4.85
Amer. Exp. Int. 3½ 93	40	94	94⅛	−0⅛	−2⅛	4.03
Asian Dev. Bank 3½ 94	100	87⅛	87⅝	−1⅛	−1⅛	4.71
Austria 3¾ 93	100	94	94⅛	−0⅛	−0⅛	4.04
Australia 3¾ 89	250	95⅝	96	−0⅛	+0⅛	4.14
Brazil 4¼	100	98	98⅝	−0⅛	−1	4.49
Canada 3¾ 89	300	95	96⅛	−0⅛	+0⅛	4.11
Chase Manhattan 4 93	70	98⅛	99	−0⅛	−1⅛	4.11
Council of Europe 4¼	100	97⅛	98⅛	−0⅛	−1⅛	4.47
Bankamerica 3¾ 93	80	95⅛	95⅝	0	−1⅛	4.16
BNDE 5 88	75	99⅝	100	−0⅛	−0⅛	5.01
Denmark 4½ 90	100	99⅛	99⅝	−0⅛	+5⅛	4.53
EIB 4½ 93	100	97⅛	97⅝	0	−0⅛	4.48
Euratom 4½ 93	80	95	96	−2⅛	−2⅛	4.88
F. L. Smidth 4½ 89	25	98⅛	98⅝	−0⅛	−1⅛	4.67
Finland 4½ 93	80	98⅛	98⅝	−0⅛	−1	4.66
GZB 4½ 93	100	98⅛	98⅝	−0⅛	−1⅛	4.63
Heron 4¾ 89	35	95	95⅝	−1⅛	−1⅛	4.99
ICI Fin. NV 3¾ 94	230	91⅛	91⅝	−0⅛	−0⅛	4.27
Malaysia 4¾ 90	80	98⅛	98⅝	+0⅛	+0⅛	4.91
New Zealand 3¾ 94	120	91⅛	92	−0⅛	0	4.25
Norges Komm. 4¼ 90	100	97⅛	97⅝	−1⅛	−2⅛	4.52
OKB 3¾ 91	100	93⅛	93⅝	−0⅛	−0⅛	4.43
Oy. Nokia 5 90	20	99⅛	99⅝	−0⅛	−2⅛	5.07
Philippines 4¾ 89	50	97⅛	97⅝	−0⅛	+0⅛	5.09
Sandvik 4 90	85	94⅛	94⅝	−1⅛	−3⅛	4.63
Spain 4 91	100	95	95⅝	+0⅛	−0⅛	4.52
Voest-Alpine 4½ 93	100	99⅛	99⅝	−0⅛	−0⅛	4.56
Vienna 4 93	100	97⅛	97⅝	−0⅛	−0⅛	4.22
World Bank 4¼ 93	250	99⅛	99⅝	−0⅛	0	4.28

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	84⅝	85⅝	−0⅛	−0⅛	8.15
Australia 5.6 83	30	94	95	0	−0⅛	7.13
Australia 6½ 88	20	91⅛	92⅛	−0⅛	−0⅛	7.94
Finland 5.6 83	10	92⅞	93⅞	0	−0⅛	7.42
Finland 6.8 88	10	92⅝	93⅝	0	−0⅛	7.88

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 9 84 SDR	20	98⅝	99⅛	0	0	9.22
Auto Cote B. 7 93 EUA	16	91⅝	92⅝	0	−0⅛	7.92
Komm. Inst. 7½ 93 EUA	15	97½	98⅛	0	0	7.71
Panama 8¼ 93 EUA	20	94	95	−0⅛	−0⅛	8.93
SDR France 7 93 EUA	22	94⅛	95⅛	−0⅛	−0⅛	7.59
Algemene Bk. 6¾ 83 Fl	75	98⅛	98⅝	+0⅛	+0⅛	7.38
CFE Mexico 7¼ 83 Fl	75	97⅛	98⅛	0	−0⅛	8.23
EIB 7¾ 85 Fl	75	94⅛	95⅛	0	−0⅛	8.29
Ned. Middbk. 8¼ 84 Fl	75	98⅝	100⅛	−0⅛	0	8.22
New Zealand 6¾ 84 Fl	75	94⅛	95½	0	0	8.01
Norway 8¼ 84 Fl	100	100⅛	101⅛	−0⅛	0	7.99
Elf Aquitaine 9¾ 88 FFr	150	98⅝	99⅛	0	+0⅛	9.88
EIB 9¾ 88 FFr	200	99	99⅝	0	+0⅛	9.86
Norway 9¼ 84 FFr	200	99⅛	100⅛	0	0	9.30
PSA Peugeot 9¾ 87 FFr	175	99⅛	99⅝	0	0	9.81
Total Oil 9¾ 87 FFr	150	97⅛	98⅛	−0⅛	−0⅛	9.77
Unilever 10 85 FFr	100	100⅛	101⅛	+0⅛	+0⅛	9.71
CECA 9¾ 88 £	20	92⅛	93⅛	−0⅛	+1⅛	10.83
Citicorp 10 93 £	20	92⅛	93⅛	−0⅛	+0⅛	11.04
EIB 9¾ 88 £	25	97⅛	98⅛	0	+1⅛	10.78
Finance for Ind. 13 91 £	15	106	108⅛	−0⅛	+1	11.96
Gen. Elec. Co. 12¼ 89 £	50	103⅛	104⅛	−0⅛	+2	11.79
BAT 8 88 LuxFr	250	97⅛	98⅛	0	0	8.35
Bayer Lux. 8 88 LuxFr	250	97⅛	98⅛	0	0	8.36
EIB 7¾ 88 LuxFr	250	96⅛	97⅝	0	0	8.17
Euratom 8 87 LuxFr	500	100⅛	101⅛	+0⅛	+0⅛	7.87
Finland I. F. 8 88 LuxFr	250	97⅛	98⅛	0	0	8.33
Norway 7¾ 83 LuxFr	250	97⅛	98⅛	0	−0⅛	8.34
Norges Km. 8 88 LuxFr	500	98⅛	99⅛	0	0	8.17
Renault 7¾ 88 LuxFr	500	97⅛	98⅛	0	0	8.08
Solvay Fin 8 85 LuxFr	500	100⅛	101⅛	0	0	7.84
Swedish Bk. 8 88 LuxFr	500	100⅛	101⅛	0	0	7.89

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M8.5 83	0¼	96⅛	97⅛	31/7	11.44	11.76
BFG Fin. Co. M6.5 89	0¼	98⅛	98⅝	12/7	12.4	12.54
Bco. El Salvador M8 83	1⅛	97⅛	98⅛	12/4	11.31	11.57
Bco. Nac. Argnt. M8 83	0¼	99⅛	100⅛	21/7	12⅛	12.23
Bco. Nac. Argnt. 7 88	0¼	98	99⅛	22/9	11⅛	11.70
Banco Urquijo 8 88	0¼	97⅛	98⅛	21/9	11⅛	11.75
Bank of Tokyo M5½ 93	0¼	97⅛	98⅛	18/4	10⅛	10.71
Banque Worms M5¾ 85	0¼	98⅛	99	15/6	12	12.15
Bq. E. d'Alg. M8.375 84	0¼	96⅛	97⅛	9/8	11⅛	12.24
Bq. Ext. d'Alg. M7.5 85	0¼	95⅛	95⅞	2/5	12⅛	13.35
Bq. Indo et Suez M5¾	0¼	99⅛	99⅝	25/7	12	12.05
Bq. I. Af. Occ. M6.5 83	0¼	98⅛	98⅝	12/7	12.4	12.60
BNP 5¼ 91	0¼	97⅛	98⅛	22/2	11⅛	11.62
CCCE M5.25 98	0¼	97⅛	97⅝	3/8	11⅛	11.85
Ch. Man. O/S M5¾ 93	0¼	98⅛	98⅝	27/7	11.73	11.90
Citicorp O/S Fin. 8 94	0¼	99⅛	99⅝	8/6	11.06	11.12
Credit National M5¾ 88	0¼	98⅛	99	11/7	12.31	12.47
Gotabanken M6 88	0¼	98⅛	98⅝	15/5	12.31	12.48
Ind. Bk. Japan M5¾ 85	0¼	99⅛	100⅛	1/6	12.35	12.36
Ljubljanska M7.75 85	1	97⅛	98⅛	18/7	12.94	13.20
LTCB Japan M5¾ 85	0¼	99⅛	99⅝	5/5	12.06	12.12
Midland Intl. M5¾ 93	0¼	98⅛	99⅛	20/7	12⅛	12.17
Nipp. Crdt. Bk. M5.5 85	0¼	99⅛	100⅛	22/6	12.81	12.81
OKB M5¾ 88	0¼	99⅛	100⅛	18/4	10.56	10.58
Offshore Mining 86	0¼	98⅛	99⅛	19/7	12.19	12.28
Petro Mexicano 7¾ 84	0¼	98⅛	99⅛	24/7	12.06	12.17
Privredna Banka M8 86	0⅛	96	97	22/6	13.44	13.92
Standard Chrt. M5.5 90	0¼	97⅛	98	10/8	11.66	11.83
Sundsvallsbnkn. M6 85	0¼	97⅛	98	4/10	11.06	11.32
Texas Int. Air. M7 86	0¼	98⅛	98⅝	11/6	11⅛	11.42
Utd. Overs's Bk. M8 89	0¼	98	98⅛	29/9	11.14	11.34

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem.
Asics 5¾ 93	9/78	628	86⅛	87⅛	+0⅛	2.67
Baker Int. Fin. 5½ 93	1/79	34	121⅛	122⅛	+1⅛	0.14
Boots 6¾ 93	2/79	2.16	112⅛	113⅛	+1⅛	−4.01
Ciba-Geigy O/S F 4 94	9/79	675	93⅛	94⅛	+0⅛	−13.97
Coca-Cola Bottling 6¾	4/79	9	91	92	+0⅛	19.69
Esselte 7¾ 89	9/79	159	97⅛	98⅛	—	2.66
Honda Motor 5½ 89	5/79	632	97⅛	98⅛	+5⅛	5.88
Ito-Yokado 5¾ 93	6/78	1339	109⅛	110⅛	−0⅛	0.95
Novo Industri 7 89	4/79	259	87⅛	88⅛	−0⅛	[illegible]
Texas Int. Air. 7¾ 93	†	14.5	88⅛	89⅛	−0⅛	18.28
Thorn Int. Fin. 7 88	11/78	3.67	132⅛	133⅛	+2⅛	−2.41
Tyco Int. Fin. 8⅛ 88	9/78	21	105⅛	106⅛	−0⅛	5.35
Asahi Optical 3½ DM	12/78	588	92⅛	93⅛	+0⅛	[illegible]
Casio Co. 3½ 85 DM	11/78	841	93	94	+0⅛	14.55
Izumiya 3½ 86 DM	10/78	989	89	90	−0⅛	4.54
Jusco 3½ 86 DM	1/79	1154	86⅛	87⅛	−0⅛	21.51
Kansai Elec. 4 84 DM	4/78	1350	90⅛	91⅛	+1⅛	34.59
Konishiroku 3½ 85 DM	1/79	612	92⅛	93⅛	+0⅛	15.62
Marudai Food 3½ DM	2/79	1033	86⅛	87⅛	−0⅛	32.00
Murata M. 3½ 86 DM	11/78	854	97⅛	98⅛	+1⅛	2.56
Nipp. Air. 3.5 88 DM	12/78	508	84⅛	85⅛	+1⅛	6.60
Nippon Ysn. 3½ 85 DM	1/78	251	92⅛	93⅛	+0⅛	5.09
Nissan Diesl. 3½ 86 DM	2/79	477	92⅛	93⅛	+1⅛	11.49
Olymp. Opt. 3½ 85 DM	2/79	703	99⅛	100⅛	+1⅛	2.54
Ricoh 3½ 86 DM	10/78	517	93⅛	94⅛	+0⅛	16.30
Sharp Co. 3½ 88 DM	2/79	487	96⅛	97⅛	+1⅛	11.62
Stanley Elec. 3½ DM	11/78	623	90⅛	91⅛	+0⅛	29.93
Tokyo Elec. 3½ 87 DM	4/79	476	94⅛	95⅛	+0⅛	14.69
Tokyu Ld. Co. 4 86 DM	4/79	493	88⅛	89⅛	+0⅛	6.46
Trio-Knwd. 3½ 88 DM	11/78	711	86⅛	87⅛	+0⅛	12.73

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M=minimum coupon. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

AMERICAN QUARTERLIES

ABBOTT LABS. First quarter	1979 $	1978 $
Revenue	379.9m	332.7m
Net profits	38.4m	31.8m
Net per share	0.64	0.53

AKZONA First quarter	1979 $	1978 $
Revenue	260.1m	226.5m
Net profits	9.33m	7.22m
Net per share	0.76	0.58

C. R. BARD First quarter	1979 $	1978 $
Revenue	50.5m	46.5m
Net profits	3.20m	2.79m
Net per share	0.33	0.29

BEECH AIRCRAFT Second quarter	1979 $	1978 $
Revenue	152.1m	130.1m
Net profits	10.49m	8.58m
Net per share	0.83	0.69
Six months		
Revenue	294.3m	252.3m
Net profits	19.99m	16.97m
Net per share	1.57	1.36

CAROLINA POWER AND LIGHT Year	1978 $	1977 $
Revenue	895.6m	825.1m
Net profits	147.45m	119.27m
Net per share	3.17	2.55

CELANESE CORPORATION First quarter	1979 $	1978 $
Revenue	745.0m	607.0m
Net profits	32.0m	20.0m
Net per share	2.17	1.37

FLINTKOTE First quarter	1979 $	1978 $
Revenue	145.1m	123.4m
Net profits	8.54m	1.42m
Net per share	0.77	0.19

GENERAL INSTRUMENT Fourth quarter	1979 $	1978 $
Revenue	153.5m	124.7m
Net profits	9.04m	5.40m
Net per share	1.00	0.62
Year		
Revenue	550.6m	502.5m
Net profits	34.1m	24.3m
Net per share	3.77	2.77

GREAT WESTERN FINANCIAL CORP. First quarter	1979 $	1978 $
Revenue	203.4m	168.7m
Net profits	22.65m	20.89m
Net per share	1.01	0.94

HARRIS BANKCORP First quarter	1979 $	1978 $
Net profits	8.05m	6.64m
Net per share	1.19	0.99

HAWKER SIDDELEY CANADA Year	1978 $	1977 $
Revenue	399.5m	363.9m
Net profits	17.12m	10.33m
Net per share	2.01	1.91

KAISER ALUMINUM First quarter	1979 $	1978 $
Revenue	704.7m	548.2m
Net profits	56m	24.5m
Net per share	1.38	0.60

KING'S DEPARTMENT STORES Year	1979 $	1978 $
Revenue	540.6m	475.1m
Net profits	15.0m	15.72m
Net per share	2.0	2.1

NCNB First quarter	1979 $	1978 $
Net profits	10.58m	7.41m
Net per share	0.52	0.44

PABST BREWING First quarter	1979 $	1978 $
Revenue	180.5m	156.8m
Net profits	1.79m	2.27m
Net per share	0.21	0.26

TEXAS OIL AND GAS Second quarter	1979 $	1978 $
Revenue	223.8m	197.1m
Net profits	23.3m	20.2m
Net per share	1.08	0.94
Six months		
Revenue	391m	361.5m
Net profits	42.3m	38.9m
Net per share	1.98	1.71

ITT plans to sell French interests

By David White in Paris

INTERNATIONAL Telephone and Telegraph of the U.S. is negotiating to sell several of its remaining French subsidiaries as part of its overall shift of emphasis towards more U.S.-based investments.

Although details were not available yesterday, the subsidiaries involved are believed to include Claude, an electric lighting company, and ITT-Oceanic, a television manufacturer, which between them employ nearly 4,000 people and have a combined annual turnover of about FFr 1.1bn ($260m).

The future of another ITT offshoot, Sonolor, which produces car radios, is also in doubt. ITT recently announced plans to lay off four-fifth of the work-force of the company, which had sales of FFr 185m in 1977.

An agreement is reported to be close to conclusion with General Telephoned Electronics of the U.S. for the sale of Claude, which moved from loss to profit last year on a turnover of FFr 331m. ITT took the company over 13 years ago and assumed full control in 1977 by buying the interests of the Thomson-Brandt and Philips groups, and other minority shareholders.

ITT is, however, holding on to its most important French subsidiary, CGCT, which makes telephone switching gear and has an annual turnover of over FFr 1.6bn, the sources said.

In 1976 ITT sold its other telephone subsidiary, Le Materiel Telephonique (LMT), to the Thomson-Brandt group under French Government plans to bring the industry under French control. Its private educational subsidiary, Pigier, was sold off in the same year to the same BIS group.

Le Materiel Telephonique yesterday reported its results for 1978. Net profits eased to FFr 70.95m from FFr 83.37m. The previous year's profit included extraordinary items, notably FFr 12.75m from the sale of assets.

Philips expects further modest profits growth

BY CHARLES BATCHELOR IN AMSTERDAM

PHILIPS, THE Dutch electrical group, believes it will be able to achieve a further slight improvement in profits this year. Growth in sales volume is forecast to be maintained at 8 per cent and the group expects to meet higher costs by improved productivity.

In 1978 after-tax profits were an unchanged 2.2 per cent of sales although they rose to 6.5 per cent of shareholders' equity from 6.1 per cent the year before, the president, Dr. Nico Rodenburg, said.

Philips expects to maintain volume growth in 1979 despite the forecast fall in world economic growth and increasing competition. Consumer spending, which accounts for 60 per cent of Philips's activities, will continue ot be the strongest stimulus to world growth. In 1978 the company's volume sales rose at more than twice the 3¼ per cent rate of economic growth achieved by the OECD countries, which account for 85 per cent of Philips' sales.

The biggest contribution to Philips' turnover this year will come from two divisions—sound and vision electronics in the home and professional products and systems. The latter will benefit from deliveries made as part of several large projects in hand and from growing interest in cost-saving equipment now being marketed. Sales of the industrial supplies division will also pick up slightly.

Investments planned for 1979 include substantial amounts for product innovation in the fields of video cassette recorders and colour television tubes. Capital expenditure will be higher than the Fl 1.82bn ($910m) in 1978, while funds available from depreciation will be only slightly higher than the Fl 1.39bn last year.

In 1978 changes in foreign exchange rates, largely of the dollar and related currencies, reduced the increase in cash sales to 5 per cent, against the volume increase of 8 per cent. Turnover totalled Fl 32.7bn.

Cost increases in 1978 were slightly lower than the year before but at the operating level this was more than compensated for by a slow down in the growth of productivity and pressure on prices. The operating result rose 2 per cent to Fl 2.27bn but fell to 6.9 per cent of sales from 7.1 per cent.

Despite allowing Fl 297m for adverse foreign exchange movements, after-tax profits rose 5 per cent to Fl 731m. This was partly due, however, to changes in the treatment of goodwill and the formation of provisions to bring them in line with international practice.

After the near doubling of Philips' share in non-consolidated companies to Fl 76m, net profit last year rose 12 per cent to Fl 707m ($353m).

Sales upsurge for Olivetti

BY RUPERT CORNWELL IN ROME

OLIVETTI, the office equipment and electronics group, has registered a strong upturn in sales in the first three months of the current year, and is hoping to resume a dividend.

These were the main points to merge from the annual meeting. Sig. Carlo de Benedetti, the Olivetti managing director, also reported the successful conclusion of the recent operation to increase the group's capital to L200bn from L100bn and indicated that a further increase might take place once Olivetti was firmly "back in the black."

Group sales in the first quarter climbed almost 32 per cent to L340bn ($400m), while those of the parent company alone jumped over 30 per cent to L165bn ($196m) from L91bn.

Sig. de Benedetti attributed the huge improvement to particularly favourable market conditions, coupled with the recent launch by Olivetti of products in both the office equipment and electronics sectors. The increases were in volume terms as well as due to higher prices.

The capital increase went through without the need for the consortium of underwriting banks to take up any of the newly created shares. The bulk of the increase was subscribed in the form of L1,000 bonds convertible into Olivetti stock, under the auspices of Mediobanca, the merchant bank.

Sig. de Benedetti detailed the main problem areas for the group abroad: above all in the U.S. where Olivetti had lost $38m in 1978; Canada, where losses reached $4.3m; and Argentina, where the group lost $14.3m.

* * *

PIERREL, the Naples-based pharmaceuticals and chemical concern in which Sig. de Benedetti acquired an 18 per cent interest earlier this year, has also reported a return to profits after a reorganisation in 1978.

Although sales fell from L63.6bn to L55.2bn ($65m), Pierrel managed a small profit of L146m after a 1977 loss of L7.35bn ($8.8m) because of the higher added value of its sales and a reduction in labour costs following a cut in the company's payroll.

Another company to have announced an improved performance last year is Gilardini, the components manufacturer which is 70 per cent controlled by Fiat. Profits rose to L5.5bn ($6.53m) from L4bn in 1977, while group sales climbed to L210bn ($249.4m) from L168bn the previous year.

Manufrance starts new rescue talks

BY TERRY DODSWORTH IN PARIS

A BUSINESSMAN who has established a reputation as one of the biggest entrepreneurs in the French clothing industry, M. Maurice Bidermain, may come to the rescue of Manufrance, the near-bankrupt retailing and manufacturing group.

Talks between the two sides began in earnest yesterday when M. Bidermain visited the St. Etienne company on a fact-finding tour. He is said to be particularly interested in Manufrance's 35 shops—many of which are in prime, city centre sites—mail order and publishing businesses.

M. Bidermain's intervention in the Manufrance saga is raising considerable interest because of his reputation for turning round unprofitable companies. His group of textile businesses, which have a turnover of about FFr 1bn ($233m) a year, has been put together rapidly in a series of judicious takeovers. But last year he lost out to Willot in his bid to take over the Boussac business.

The proposed link with Bidermain is only one of the possible alternatives facing Manufrance in its efforts to avoid going into liquidation. The company's new managing director, M. Rene Mestries, has had exploratory contacts recently with a number of organisations which could provide the finance to keep it going.

However, a swift solution is now required because the local commercial court, officially responsible for Manufrance's affairs, is demanding a firm plan from the management for the company's future.

M. Mestries, who took over only in Janunry, is claiming that he has not yet had sufficient time to prepare these plans, although they are now well advanced. The company ought to be out of the woods by the end of this month, he said yesterday.

Swedish carmaker sees increase in earnings

BY VICTOR KAYFETZ IN STOCKHOLM

SAAB-SCANIA, the Swedish automotive and aircraft group, expects both sales and earnings to continue growing during 1979.

The annual report states that cost increases have been limited, which, in combination with the devaluations of the Swedish krona during 1977, has strengthened Scania's international competitive position. "This has provided the preconditions for an additional improvement in earnings."

Pre-tax profit last year was SKr 530m ($121m), or SKr 8m higher than reported in the preliminary figures two months ago, and represented a 57 per cent rise from SKr 337m. in 1977. Turnover rose 8 per cent to SKr 11.64bn ($2.66bn) and the proportion originating on markets outside Sweden increased from 45 to 49 per cent.

The Scania division had an order inflow of SKr 6.8bn, up nearly 25 per cent. Sales rose 13 per cent to SKr 6.1bn, including a 19 per cent rise for Scania trucks, buses, engines and parts to SKr 4.7bn. Foreign markets accounted for 79 per cent of the latter figure against 74 per cent.

The Saab passenger car division recorded a 13 per cent rise in orders and sales to SKr 3.7bn last year, but actual car production dropped 5 per cent to 72,500 units as the division ran down stocks of Saab 99 cars preparatory to introduction last autumn of the 900 series. The new car is expected to create "a substantial production increase" for the division.

Sales of Saab cars in 1978 were virtually unchanged at just over 76,000 units, with 49 per cent sold outside Sweden against 46 per cent in 1977.

Peak profits at Deutsche Bank

BY GUY HAWTIN IN FRANKFURT

DEUTSCHE BANK, West Germany's largest bank, last year achieved its highest net earnings ever. However, profits in relation to average business volume worsened, after an improvement in 1977.

Net profits rose by 8.6 per cent from DM 282.8m in 1977 to DM 307.2m. Out of this, the bank will be allocating DM120m to reserves, an increase of DM 10m on the previous year's allocation. An unchanged DM 9 per DM 50 nominal share is being recommended.

According to the bank's executive board, the average business volume of the bank has risen by 67 per cent during the past four years. In contrast, operating profits during the same period have increased by only 9 per cent and strong efforts are being made to improve earnings power.

Last year the parent bank's business volume rose by DM 13.6bn, or 17.2 per cent to DM 92.3bn, while group business volume went up DM 21.9m or 17.6 per cent to DM 146.41bn ($77bn). Total assets of the parent bank rose by 17.2 per cent to DM 92.1bn.

Interest margins narrowed from the 1977 level of 2.73 per cent to 2.44 per cent. But the interest earnings of the bank—as a result of improved turnover—rose by 7.4 per cent to DM 2.09bn. At the same time, the average business volume of the bank improved by 20.7 per cent.

The parent bank's credit volume rose by 16.5 per cent to DM 52.8bn. Exchange credit advanced 3.5 per cent to DM 6.9bn. Advances to customers went up 17.8 per cent to DM 40.4bn, with short and medium-term credit up 12.6 per cent to DM 19.3bn and long-term credit up 23 per cent to DM 21.1bn.

Deposits rose by 11.7 per cent to DM 50.2bn, with money on daily recall up 11.7 per cent to DM 11.2 per cent.

Share issue planned by Oerlikon-Buehrle

By John Wicks in Zurich

A MAJOR rights issue is proposed by Oerlikon-Buehrle, the Swiss industrial company whose products range from military equipment to textiles and shoes.

The company also announced yesterday that net profits—including for the first time the Bally Shoe acquisition—had risen by almost an eighth for 1978 to SwFr 227.9m ($134m) from SwFr 204.6m. Shareholders are to receive an unchanged dividend of 15 per cent.

Terms and amount of the rights issue are to be fixed over the next few weeks, but the share offer is to be made on a one-for-eight basis. Yesterday the company's stock market value stood at SwFr 2.84bn, suggesting that between SwFr 300m and SwFr 400m is to be raised by the proposed rights issue.

Net profits of the Swiss holding company rose to SwFr 56.2m compared with SwFr 47.2m in 1977, while world-wide turnover sales increased sharply from SwFr 2.69bn to SwFr 3.37bn. However, the sales growth results from the consolidation of the Bally shoe acquisition. Excluding Bally sales show a fall of some 1 per cent.

The proposed rights issue will increase nominal capital by SwFr 40m to SwFr 360m. The equity increase is intended, among other things, for acquisitions. The Buehrle family will take part in the capital increase.

Oerlikon-Buehrle's operations fall into three broad categories. In 1977, military equipment represented nearly half of total turnover with capital goods and industrial non-durables, and consumer goods accounting for the other half.

Recovery still underway at Sofina

By Giles Merritt in Brussels

SOFINA, THE major Belgian financial holdings group, that specialises in energy and industrial investments, has declared a slight improvement in net earnings for 1978. Profits for the year reached BFr 598m ($20m) against BFr 570m in 1977.

The improvement marks a return to Sofina's 1973 profit levels and confirms the steady recovery in earnings for the group since 1975, when net profit dropped to below BFr 500m. Almost half of Sofina's portfolio is in the energy sector, with high technology and industrial interests accounting for a further 40 per cent. About 63 per cent of Sofina's holdings are inside Belgium, while the U.S. portfolio still accounts for some 20 per cent.

The Brussels-based group is also proposing an increased dividend for 1978, bringing it to BFr 2.2 per share from the previous level of BFr 2.15.

Increased 1978 profits have also been announced by Societe de Traction et d'Electricite, the Belgian energy and chemical holding company whose largest shareholders are Sofina and the giant Societe Generale de Belgique.

Traction et d'Electricite is proposing a dividend increase for 1978 and will be paying BFr 1.85 per share, against BFr 1.70 previously. Net profits have advanced to BFr 766m for 1978 from BFr 684m.

Increase in AMEV payment

By Our Financial Staff

PROFITS growth above the forecast and an increase in dividend are reported by AMEV, the Dutch insurance company which has increased net earnings for 1978 by 34 per cent to Fl 94.5m ($46m).

After the first nine months of last year, the company reported an increase on 32 per cent in net profits and said that for the year as a whole gains of around a quarter would be achieved. The figures include the U.S. acquisition Time Holdings.

Shareholders will be equally pleased by the Board's dividend decisions which are leading to a payment of Fl 6.5 compared to Fl 5 in 1977. The payment is made up of Fl 6 (against Fl 5) in cash and Fl 0.5 in shares.

Life insurance sum assured totalled Fl 46.5b at the year end. Indem nity insurance profit was Fl 42.8m, compared to a loss of Fl 2.6m. Other activities returned Fl 20.1m, against Fl 18.3m.

INTERNATIONAL COMPANIES and FINANCE

JAPANESE SHIPBUILDING RECONSTRUCTION

Hakodate Dock leads assets sale

BY YOKO SHIBATA IN TOKYO

HAKODATE DOCK, the medium-sized shipbuilder based in Hokkaido, has become the first Japanese shipbuilder to apply to the Government-funded Business Stabilisation Foundation for the sale of a large part of its shipbuilding facilities.

The Foundation was established in December to buy up excess facilities and land from seriously depressed shipbuilders after cutbacks in overall capacity in the industry. Some 54 companies are affected by the Government guideline for 1979 of reducing production to an average 40 per cent of the 1974 peak year level.

The Ministry of Transport has allotted about Y390bn ($1.8bn) to be used to scrap facilities, bought at book value, and to acquire land at market related prices.

Hakodate, now under financial reconstruction with the help of Fuji Bank and Hokkaido Takushoku Bank, is offering the sale of 300,000 tones of capacity in facilities and about 220,000 square metres of land, or 60 per cent of the shipbuilding compound. It hopes to gain about Y18.8bn from the sale.

If the financial reconstruction measures work, the company will be able to post Y400m in net profits on sales of Y17.5bn in the fiscal year 1980-81. It registered operating deficits of Y12.5bn and net deficits of Y13.7bn on sales of Y38.9bn in 1977-78 and estimates an operating deficit of Y7bn and a net deficit of Y10bn, with sales of Y40bn, for the year ended this March. The substantial reduction in sales by 1980-81 (less than half this for 1978-79) is largely because of disposal of building facilities.

Under the reconstruction programme, the company has to drop 1,200 workers, of which it has already cut 800. The shipbuilder has run into union opposition over voluntary retirements for the other 400 workers and finally reduced to the target for voluntary retirements to 200 in last February.

Of the Y18.8bn worth of expected sales of facilities and lands, Y5.8bn will go into a retirement allowance for workers. The rest will go into repayment of Y91.6bn (as of the end of September '78) in borrowings.

The planned sales would leave for Hakodate Dock one berth for small vessels with a capacity of 5,000 gross tons, two repair docks and one dry dock for building medium sized vessels.

The Foundation will start detailed examination of the application, and is expected to decide to purchase these facilities by the end of this month.

BOND MARKETS

Japan more flexible

BY RICHARD C. HANSON IN TOKYO

THE MINISTRY of Finance is to give approvals for foreign bond issues by Japanese companies on a monthly basis instead of quarterly, to allow more flexibility in the issue programme.

The practice of approving a list of borrowers each quarter has led to some disruption in foreign markets—with the number of Japanese issuers beginning to rise sharply. The April-June quarter list, for example, included 40 aprovals for Swiss franc bonds. The setting out of the schedule in advance probably helped to convince the Swiss to close their market to foreign borrowers.

Starting from July, issue approval will be given about a month-and-a-half ahead. In the past, approval for the full quarter was given about two months in advance.

Meanwhile Mr. Teiichiro Norinaga, the Bank of Japan governor, said issue terms of national bonds should be determined in accordance with the real tendency on the secondary market, where national bond prices have been declining sharply in recent weeks.

However, the prices fall has gone too far and does not represent the real trend on the secondary market, Mr. Morinaga tolds a press conference.

DISINVESTMENT IN INDIA

Avery offer to public

BY K. K. SHARMA IN NEW DELHI

AVERY INDIA has completed plans to reduce its foreign ownership, by bringing the overseas shareholding of just over 60 per cent down to 40 per cent, to comply with the requirements of the Foreign Exchange Regulation Act (FERA). The company is to make an issue of some Rs 7.47m (nominal) in 746,666 equity shares of a par value of Rs 10 each, at a premium of Rs 9.

In addition, the dominant foreign shareholder, Averys of the UK, is to disinvest 155,000 equity shares, worth Rs 2.9m ($360,000)—including a Rs 9 premium—by an offer for sale to existing Indian shareholders.

Of the shares to be issued, 100,000 will be reserved for Indian employees and business associates of the company while the rest will be offered to the public by prospectus. The shares to be disinvested by Averys UK will be offered to Indian shareholders by way of a rights issue on a one-for-six basis.

As a result of the equity dilution, the company will lose the right to use the name of Avery, as provided in the collaboration agreement which expired on December 31, 1977. The change of name will be effected within three years.

The company increased its dividend to 30 per cent for the year ended October 31, 1978, compared with 25 per cent for the previous year. Sales rose to Rs 107.3m from Rs 100.1m and pre-tax profits were up to Rs 28.8m, from Rs 28.2m in the previous year.

Twin issues by Bombay Tyres

By Our New Delhi Correspondent

BOMBAY TYRES International, formerly known as Firestone Tire and Rubber Company of India, plans to reduce its foreign holding to 74 per cent by the issue of 1.17m equity shares of Rs10 each at par, to Indian nationals.

The company is at present wholly-owned by Firestone Tire and Rubber Company, of Akron, Ohio, and the Indian Government has approved its proposal for an increase in the paid-up capital from Rs22m (about $2.8m) to Rs45m, by the issue by way of rights of Rs11.3m shares in addition to the public issue.

Bombay Tyres International has operated profitably since 1941, but has not done well in the past few years, with the oil crisis which created a recession in the tyre industry. Higher costs have also made themselves felt. At the same time, the company has been affected by power supply cuts and labour unrest. Production and sales went down in 1976-77 and 1977-78, after 35 years of continuous profits.

The company is now showing signs of considerable improvement following the injection by Firestone of Rs11.3m of fresh capital last October.

Malleys and Simpson agree to merge

By James Forth in Sydney

THE AUSTRALIAN appliance groups Simpson Pope and Malleys plan an A$18.3m (US$20.56m) merger, which will cap recent rationalisation moves within the white goods industry. The merger was foreshadowed last week when Simpson revealed that it had built up a holding of 25 per cent of the capital in Malleys through purchases on the stockmarket over the past two months.

Simpson paid up to A$1.00 a share. It now proposes to make a formal offer of A$1.20 cash a share for the remaining capital.

The directors of Malleys consider the price attractive and plan to recommend acceptance. Malleys recently reported a sharp drop in earnings for the first half of 1978-79 and it is understood that the difficulties have continued into the current half year.

The proposed merger is the third within the past few weeks. One is an amicable merger of the consumer appliance divisions of Rank of the UK and General Electric of the U.S. The other is between Email and Kelvinator Australia.

Last month Email announced a bid for Kelvinator which was resisted by the board. Simpson then began to buy on the market, anonymously at first, and a battle developed which only ended when both companies held 32 per cent of Kelvinator.

Simpson began buying to protect its existing arrangements under which it makes all the washing machines bearing the Kelvinator brand. Simpson eventually sold 18.5 per cent of Kelvinator's capital to Email, which intends to make a bid for the remaining shares.

The proposed Simpson-Malleys merger will give the combined company more than 60 per cent of the national washing machine market and a dominant position in driers and stoves. Email-Kelvinator will lead the refrigerator market.

● Whirlpool Corporation of the U.S. holds a 17 per cent stake in Malleys, which is a licensee of the U.S. concern. Whirlpool executives are understood to be in favour of the Simpson deal.

Kiwi forecasts record year

By Our Sydney Correspondent

KIWI INTERNATIONAL, the household and shoe cleaning products group, raised its profit more than 35 per cent, from A$2.0m to A$2.6m (U.S.$ 2.9m) in the six months to February 28. The directors have raised the interim dividend from 3.5 cents a share to four cents. Last year the company paid a final of 4.5 cents, making a total for the year of eight cents.

The directors said that the record profit reflected improved trading from most of the company's operating subsidiaries, particularly in Australia, France, Singapore and the U.S. They believed the current upward trend would continue for the full year, indicating another peak result.

Kiwi has recently come under attention because of its persistent market buying of shares in the Adelaide-based pharmaceutical group, G. H. Faulding

STATE BANK OF INDIA

Singapore Branch

U.S.$10,000,000

NEGOTIABLE FLOATING RATE CERTIFICATES OF DEPOSIT DUE OCTOBER 1981

In accordance with the provisions of the Certificates, notice is hereby given that for the six months interest period from 12th April, 1979, to 12th October, 1979, the Certificates will carry an Interest Rate of $11\frac{1}{16}\%$ per annum. The relevant interest payment date will be 12th October, 1979.

THE DEVELOPMENT BANK OF SINGAPORE LIMITED

Agent Bank

10th April, 1979.

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	3.4.79	10.4.79	AVERAGE YIELD	3.4.79	10.4.79
DM Bonds	102.38	102.08	DM Bonds	6.921	6.948
HFL Bonds & Notes	98.49	99.71	HFL Bonds & Notes	8.461	8.435
U. S. $ Strt. Bonds	96.23	96.63	U.S. $ Strt. Bonds	9.467	9.423
Can. Dollar Bonds	96.66	98.87	Can. Dollar Bonds	10.016	9.955

Notice of Redemption

Nippon Electric Company, Limited

7½% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May 15, 1969, under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on May 15, 1979, through the operation of the sinking fund provided for in said Indenture, $1,000,000 principal amount of Debentures of said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000 PRINCIPAL AMOUNT OUTSTANDING

M12	966	1543	3410	4531	5333	5916	6796	7327	8182	9430	10013	10870	11750	12388	12709	13582
14	979	1549	3411	4533	5334	5989	6798	7330	8191	9435	10031	10887	11752	12430	12713	13636
16	980	1591	3412	4535	5335	5990	6799	7331	8195	9516	10033	10888	11757	12435	12714	13641
19	1019	1592	3413	4537	5337	5992	6805	7542	8196	9517	10039	10946	11764	12444	12727	13650
31	1022	1594	3414	4539	5338	5994	6807	7544	8197	9519	10045	10954	11773	12448	12729	13657
36	1026	1595	3599	4575	5340	6060	6873	7546	8200	9523	10049	10956	11800	12451	12733	13662
38	1049	1621	3600	4576	5341	6063	6873	7547	8204	9533	10051	10960	11801	12465	12735	13675
83	1051	1624	3602	4578	5411	6066	6921	7548	8212	9563	10055	10977	11802	12470	12737	13683
105	1062	1626	3603	4579	5412	6070	6923	7550	8214	9586	10058	10982	11804	12471	12738	13737
110	1065	1628	3637	4581	5414	6120	6934	7638	8223	9650	10062	11030	11807	12485	12750	13740
152	1066	1629	3638	4582	5415	6121	6936	7645	8227	9657	10073	11033	11813	12487	12753	13748
154	1073	1646	3639	4609	5470	6123	6937	7721	8231	9658	10081	11038	11814	12488	12757	13751
159	1088	1676	3640	4610	5471	6124	6973	7724	8235	9667	10087	11039	11825	12490	12759	13776
173	1101	1679	3660	4615	5472	6126	6974	7725	8238	9668	10092	11043	11842	12497	12760	13817
175	1108	1681	3661	4622	5473	6130	6977	7726	8547	9673	10094	11115	11855	12498	12768	13820
178	1125	1682	3662	4635	5474	6172	6979	7727	8655	9681	10096	11117	11864	12499	12770	13868
193	1133	1696	3774	4637	5478	6175	6981	7730	8656	9699	10099	11119	11874	12502	12773	13905
197	1146	1700	3777	4638	5481	6177	6994	7799	8681	9707	10113	11121	11893	12510	12775	13920
196	1147	1715	3780	4642	5521	6180	6995	7801	8653	9712	10117	11123	11898	12523	12776	13943
215	1162	1735	3781	4648	5523	6181	7023	7802	8665	9714	10119	11141	11904	12537	12782	13953
218	1163	1846	3846	4655	5524	6184	7024	7804	8670	9717	10120	11190	11906	12539	12783	13988
218	1176	1852	3898	4656	5527	6217	7026	7807	8760	9753	10138	11194	11913	12548	12786	13994
231	1178	1857	3899	4657	5528	6264	7028	7810	8761	9754	10140	11196	11916	12553	12787	14004
233	1179	1859	3925	4661	5533	6265	7029	7817	8767	9757	10141	11200	11969	12558	12789	14015
248	1185	1860	3927	4662	5575	6275	7036	7935	8771	9758	10148	11216	11986	12559	12791	14018
257	1198	1926	3930	4664	5576	6289	7044	7938	8774	9760	10160	11258	11989	12562	12794	14030
272	1228	1927	4067	4665	5582	6291	7046	7939	8778	9794	10161	11265	11994	12563	12931	14040
275	1230	1929	4068	4869	5598	6292	7070	7944	8859	9796	10163	11270	12005	12572	12934	14148
302	1231	1930	4134	4871	5600	6302	7081	7949	8860	9800	10164	11291	12015	12576	12935	14153
304	1232	1934	4136	4872	5601	6320	7089	7950	8870	9802	10190	11328	12016	12577	12936	14158
305	1258	1996	4139	4873	5604	6327	7097	7956	8875	9820	10198	11331	12028	12580	12940	14168
320	1290	2000	4141	4988	5605	6329	7130	7957	8878	9833	10201	11342	12036	12583	13042	14174
371	1293	2001	4142	4989	5609	6371	7136	7995	8953	9836	10202	11344	12044	12584	13046	14234
378	1302	2075	4192	4990	5610	6382	7144	7998	8954	9840	10206	11379	12058	12589	13047	14253
446	1303	2076	4194	4991	5611	6393	7145	7999	8958	9845	10207	11397	12061	12632	13048	14289
448	1305	2157	4195	4994	5618	6411	7146	8000	8963	9858	10215	11398	12071	12639	13051	14300
452	1307	2158	4197	4995	5628	6412	7153	8007	8964	9867	10217	11401	12076	12644	13052	14301
461	1320	2814	4226	4999	5633	6416	7170	8009	8965	9868	10223	11406	12077	12646	13054	14351
475	1339	2815	4227	5030	5654	6417	7209	8019	8967	9869	10226	11434	12119	12649	13142	14365
538	1349	2849	4229	5031	5655	6418	7211	8050	8989	9873	10232	11448	12146	12650	13149	14373
547	1359	2850	4231	5033	5637	6419	7217	8054	8970	9877	10233	11461	12148	12652	13154	14374
551	1361	2852	4253	5037	5672	6519	7228	8055	9041	9885	10471	11465	12157	12659	13158	14379
553	1372	2963	4254	5063	5674	6526	7230	8056	9043	9888	10475	11543	12167	12664	13160	14385
579	1374	2962	4258	5064	5677	6532	7231	8059	9044	9893	10480	11559	12175	12668	13170	14444
580	1378	2964	4266	5066	5683	6533	7233	8061	9049	9901	10481	11571	12286	12670	13253	14445
599	1404	3006	4272	5070	5699	6619	7234	8066	9051	9903	10484	11576	12287	12673	13259	14456
624	1408	3182	4273	5072	5700	6625	7238	8067	9057	9905	10487	11591	12288	12675	13376	14764
627	1417	3183	4274	5090	5704	6628	7244	8075	9059	9910	10577	11602	12291	12682	13448	14775
731	1447	3184	4278	5092	5706	6629	7253	8080	9145	9915	10579	11621	12308	12683	13453	14776
778	1450	3319	4385	5093	5707	6631	7254	8101	9272	9920	10584	11630	12309	12687	13458	14781
881	1455	3320	4387	5103	5808	6632	7255	8108	9277	9925	10587	11642	12317	12688	13459	14796
882	1461	3321	4388	5119	5813	6637	7256	8109	9278	9933	10595	11643	12318	12690	13463	14802
883	1464	3322	4391	5125	5817	6638	7265	8116	9344	9935	10597	11657	12324	12691	13473	14960
885	1490	3377	4393	5240	5818	6707	7274	8123	9345	9938	10698	11683	12329	12692	13475	14981
905	1495	3378	4395	5241	5908	6712	7275	8148	9350	9943	10700	11702	12340	12697	13482	14991
909	1503	3379	4396	5242	5909	6715	7276	8154	9353	9976	10770	11705	12341	12700	13543	15000
929	1527	3382	4473	5243	5912	6719	7278	8157	9362	9986	10860	11712	12347	12701	13548	
948	1530	3383	4477	5246	5913	6727	7281	8171	9369	9991	10868	11715	12348	12705	13560	
952	1533	3409	4530	5250	5914	6728	7325	8179	9412	9993	10869	11749	12376	12708	13578	

The Debentures specified above are to be redeemed for said sinking fund at the **SBD-Multinational Securities-2nd Floor of Citibank, N.A., 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York**, the main offices of Citibank, N.A. in Amsterdam, Netherlands and Milan, Italy; The Chase Manhattan Bank (National Association) in Paris, France and Frankfurt/Main, Germany; The Bank of Tokyo, Ltd., London, England and Brussels, Belgium and at Kredietbank S.A. Luxembourgeoise, Luxembourg, as the Company's paying agents, and will become due and payable UPON PRESENTATION AND SURRENDER THEREOF on May 15, 1979, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on said Debentures will cease to accrue.

Said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on said date with all interest coupons maturing subsequent to the redemption date appertaining thereto. Coupons due May 15, 1979 should be detached and presented for payment in the usual manner.

For NIPPON ELECTRIC COMPANY, LIMITED
By: CITIBANK, N.A., *Trustee*

April 12, 1979

WORLD STOCK MARKETS

Early Wall St. fall on IBM earnings report

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—54¼% (52½%)
Effective $2.0870 24¼% (23¾%)

WORRIES ABOUT the outlook for interest rates and a discouraging profits statement from IBM caused a sharp early reaction yesterday on Wall Street in active trading, after the stock market closing at a new six-months' peak the previous day.

Closing prices and market reports were not available for this edition.

The Dow Jones Industrial Average receded 7.88 to 870.84 at 1pm, while the NYSE All Common Index lost 40 cents to $57.78 and declining issues led gains by a two-to-one margin. Trading volume further increased to 24.85m shares from Tuesday's 1 pm figure of 21.00m.

Analysts said the market was nervously awaiting a Commerce Department report on inventories, due that afternoon, adding that Wall Street fears a sharp rise in inventories may prompt further credit tightening by the Federal Reserve.

After a firm opening on news of the Teamsters' contract settlement, the market had begun pulling back when the IBM earnings report was released and accelerated the slide.

On the disappointing earnings increase, **IBM** declined $6 to $314.

Burroughs lost 1¼ to $70⅜. **Control Data** ¼ to $34¾ and **NCR** 1¼ to $68¼. All three, however, reported improved first-quarter results. **General Electric**, which also said its first-quarter profits increased, were unchanged at $48¼.

Sony topped the actives list and gained 1⅜ to $10⅜ following the Tokyo stock market advance yesterday.

General Public Utilities regained ¼ more to $13⅜. A block of 90,100 shares were moved at $13⅜.

Retailers were active although **Sears Roebuck** were unchanged at $20⅞ and **K. Mart** eased ¼ to $25⅜, both were on the actives list. **J. C. Penney** eased ⅛ to $28¼.

Woolworths did not trade. Its directors are reviewing a take-over bid by Brascan. They also voted to raise the dividend.

THE AMERICAN S.E. Market Value Index retreated 0.98 to 180.55 at 1 pm in busy trading. Volume 2.85m shares (2.37m).

Brascan rose ⅜ to $30¼. **Edper Equities** has dropped plans to make a bid for Brascan in view of Brascan's bid for Woolworth. Amex Volume leader, **Syntex** lost ⅛ to $36¼.

Canada

After a firm start, stocks mostly declined in a fair business yesterday morning, with the Toronto Composite Index losing 5.0 to 1,466.9 at mid-day.

Golds declined 12.6 to 1,535.2, Oils and Gas 14.7 to 2,177.1, Metals and Minerals 7.7 to 1,264.5 and Utilities 0.12 to 220.56. Banks, however, hardened 0.15 to 313.40.

Hudson's Bay receded ⅜ to C$30 and **Canadian Pacific** ⅛ to C$29⅞.

Falconbridge "A" rose ¾ to C$52¼ on a company forecast of higher first-quarter net profits.

Dome Petroleum lost 2¼ to C$123¼, **Texaco Canada** ⅜ to C$57⅞ and **Imperial Oil "A"** ⅛ to C$28¼. **Inco** shed ⅛ to C$22⅜ and **Alcan** also ¼ to C$42.

Tokyo

After the steep slide of the past two days, partly on interest rate worries, the Tokyo stock market rebounded sharply in active trading, sparked off by a wave of "cheap" buying.

The Nikkei-Dow Jones Average moved ahead 117.16 to 6,043.03 from the new 1979 low established on Tuesday, recouping most of the previous two-day fall of 139.13. The Tokyo SE index retrieved 6.78 at 442.00, while gains on the First Market section outpaced losses by 439 to 185. Turnover reached 480m shares (350m).

A stock analyst at a major Japanese securities concern commented that "there weren't any clear reasons for yesterday's sharp rise. I think it's a technical rebound. One thing I can say, though, and that's that buying desire by investment trust companies and financial institutions has strengthened."

He added: "The mood in the market this week is very similar to that during the sessions in February, 1973, in the midst of the oil shock when share prices wildly fluctuated." On February 2, 1973, the Nikkei-Dow index dropped 245 from the previous session, but it posted a 233 gain on February 5.

Export-orientated issues fared particularly well, with **Sony** advancing Y300 to Y2,230, **Matsushita Electric Industrial** Y29 to Y714, **Pioneer Electronic** Y130 to Y2,360, **Honda Motors** Y57 to Y579, **Toyota Motor** Y51 to Y901, **Canon** Y13 to Y580 and **TDK Electronic** Y100 to Y1,880.

Elsewhere, **Kureah Chemical** strengthened Y39 to Y633, **C. Itoh** Y20 to Y283, **Nippon Denso** Y90 to Y1,430, and **Toray** Y8 to Y165.

Paris

With further profit-taking in evidence, Bourse prices retained an easier tendency in moderate activity.

Brokers said dissention within the Government majority parties was making investors apprehensive.

Constructions and Chemicals were the only sectors to show clear gains, with **Rhone-Poulenc** up 4.90 at FFr 122.50 following its announcement on Tuesday of reduced losses in its textile division.

BSN Gervais-Danone receded 6 to FFr 530 after reporting slightly lower profits for 1978, while **Le Materiel Telephonique** lost 28 to FFr 1,220 after also announcing reduced earnings.

Others to close notably lower included **Feredo, GTM, Poclain, Club Mediterranee, Arjomari, LMT, Chiers, CFP, Nobel-Bozel, Carrefour** and **Lyonnaise des Eaux**.

Germany

Most shares, after the market's recent decline, held fairly steady yesterday in further light trading, limited by Easter holiday influences. The Commerzbank index edged up 0.2 to 780.2.

Speculation that West German gasoline prices may rise again left **Daimler** DM 3.00 lower, although **BMW** and **Volkeswagen** were each only 50 pfennigs easier.

In Banks, **Deutsche** closed unchanged at DM 275.30 following news that 1978 group net profits were the same as in the previous year.

Machine Manufacturers had **Linde** down DM 4.00 and **KHD** off DM 2.00, but dealers said the changes were the result of very thin trading and had no special significance.

Leading Utilities managed slight gains, with **VEBA** and **VEW** putting on 70 pfennigs apiece.

Public Authority Bonds recorded further losses extending to 30 pfennigs. The Regulating Authorities' purchases and sales were balanced after purchases of DM 27.1m on Tuesday. Mark Foreign Loans were mixed.

Australia

Stocks displayed a bias to higher levels, with market leader BHP, in front of the share split, gaining 5 cents more to A$11.95 in an active business.

Take-over situations provided some of the interest on the Industrial boards, with **Malleys** adding another 5 cents at A$1.15 after Simpson Pope confirmed that it would bid A$1.20 per share for the Malleys stock it had not already acquired.

A merchant banker's statement that the Nabarlek uranium partners were undervalued resulted in a gain of 20 cents to A$3.30 for **Queensland Mines** and a similar rise to A$3.45 for **Kathleen Investments**.

Coal producer and engineering group **White Industrial** rose 18 cents to A$2.95, while a rise in the local copper price helped **MIM** to improve another 4 cents to A$3.30.

Hamersley, weak of late on its pellet plant closure due to the loss of Japanese orders, rallied 5 cents to A$2.50.

Metals Exploration moved up 5 cents to 80 cents and **Consolidated Goldfields** 12 cents to A$3.62, but **Western Mining** shed 3 cents to A$2.38.

Hong Kong

Shares finished mixed to easier after listless trading ahead of the long Easter weekend, with the continued weakness of the Hong Kong dollar causing most investors to stay on the sidelines.

Among the leaders, **Hutchison Whampoa** declined 7½ cents to HK$4.00, **Jardine Matheson** 10 cents to HK$11.70 and **Swire Pacific** 5 cents to HK$8.00. **Hong Kong Telephone** receded 60 cents to HK$[illegible].

Switzerland

Prices moved generally higher on active demand despite weakness in the Bond sector.

The volume leader was **Oerlikon-Buehrle**, which advanced $5 to SwFr 2,605 on its earnings report and proposed capital increase.

Johannesburg

Gold shares lost a little more ground in quiet trading on easier Bullion prices.

Mining Financials also softened, **Anglos** shedding 7 cents to R7.38. Coppers were little changed. Platinums eased ahead of results, although **Lydplat** held steady.

Industrials were modestly easier for choice in a thin business.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
◆ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. A Interim since increased.

Indices

NEW YORK —DOW JONES

	April 10	Apr. 9	Apr. 6	Apr. 5	Apr. 4	Apr. 3	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
● Industrials	878.72	876.76	875.69	877.60	869.80	868.33	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	84.46	84.64	84.58	84.65	84.82	84.59	85.98 (2/2)	84.09 (16/1)	—	—
Transport	255.25	254.22	254.08	252.82	251.55	250.16	255.25 (10/4)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	104.26	104.47	104.34	104.57	104.01	104.15	104.94 (6/4)	99.10 (2/1)	163.32 (30/4/69)	10.58 (28/4/42)
Trading vol 000's	31,290	27,250	34,710	34,520	41,940	33,550	—	—	—	—

● Day's high 882.54 low 869.30

	Apr. 6	Mar. 30	Mar. 23	Year ago (approx.)
Ind. div. yield %	5.65	5.74	5.75	6.06

STANDARD AND POORS

	April 10	Apr. 9	Apr. 6	Apr. 5	Apr. 4	Apr. 3	1979 High	1979 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Industr'ls	115.54	114.85	115.24	115.39	114.65	114.27	118.89 (9/1)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	103.34	102.87	103.16	103.26	102.65	102.40	103.34 (10/4)	96.13 (27/2)	125.85 (11/1/6)	4.40 (1/6/32)

	April 4	Mar. 28	Mar. 21	Year ago (approx.)
Ind. div. yield %	4.97	4.99	5.03	5.39
Ind. P/E Ratio	8.70	8.66	8.58	8.48
Long Gov. Bond Yield	8.99	8.98	9.02	8.32

N.Y.S.E. ALL COMMON

Apr. 10	Apr. 9	April 6	Apr. 5	1979 High	1979 Low
58.18	57.88	58.04	58.06	58.18 (10/4)	53.88 (27/2)

Rises and Falls

	April 10	Apr. 9	April 6
Issues Traded	1,892	1,915	1,901
Rises	822	558	722
Falls	544	921	704
Unchanged	476	436	475
New Highs	73	51	86
New Lows	14	21	18

	Apr. 10	Apr. 9	April 6	Apr. 5	1979 High	1979 Low
MONTREAL Industrial	248.07	247.81	248.79	248.44	250.81 (27/3)	219.19 (2/1)
Combined	250.78	248.44	250.98	250.55	250.98 (6/4)	225.80 (2/1)
TORONTO Composite	1471.8	1467.1	1475.1	1472.1	1475.1 (6/4)	1315.8 (2/1)
JOHANNESBURG Gold	247.9	248.5	—	250.7	280.7 (7/2)	247.0 (12/1)
Industrial	318.5	320.8	—	325.0	325.0 (5/4)	270.5 (2/1)

	Apr. 11	Pre-vious	1979 High	1979 Low
Australia (*)	585.45	584.28	597.52 (19/3)	545.72 (2/1)
Belgium (‖)	105.98	105.22	108.58 (9/4)	98.30 (3/1)
Denmark (**)	95.16	95.07	95.51 (2/4)	88.32 (2/1)
France (††)	78.1	78.5	80.1 (9/4)	71.5 (15/2)
Germany (‡‡)	780.2	780.0	830.8 (16/1)	774.2 (26/3)
Holland (§§)	78.4	77.8	85.9 (24/1)	75.8 (21/3)
Hong Kong	[illegible]	[illegible]	569.90 (5/2)	493.83 (2/1)
Italy (‖‖)	71.72	72.17	78.46 (26/3)	68.38 (2/1)
Japan (a)	442.00	435.22	462.37 (31/1)	435.22 (10/4)
Singapore (b)	387.98	385.41	387.66 (11/4)	346.34 (25/2)
Spain (d)	108.75	108.71	111.86 (6/3)	98.05 (12/1)
Sweden (e)	371.75	372.02	401.34 (6/2)	362.05 (2/1)
Switzerld (f)	320.1	318.7	321.6 (20/2)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Genl. Public Util.	531,300	13⅛	+⅛
IU International	[illegible]	13⅛	+1⅛
Holiday Inns	321,800	20	+1⅞
Olin	387,100	22	+1⅛
Am. Home Prods.	[illegible]	26¼	+¼
MGM	309,800	26	+2
Westn. Publishing	308,300	26⅞	+⅜
Texas Internatnl.	290,100	14⅝	−¼
Marriott	232,200	14⅝	+¼
Ramada Inns	225,100	11⅞	+⅝
Amer. Tel. & Tel.	278,800	61⅝	+⅛

EUROPEAN OPTIONS EXCHANGE

Series			April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN	C	F.354.20	1	[illegible]	—	—	—	—	F.354.50
AKZ	C	F.25	—	—	2	5.50	—	—	F.30
AKZ	C	F.30	67	0.50	7	1.90	5	[illegible]	”
AKZ	C	F.32.50	10	0.10	20	1	2	1.80	”
AKZ	P	F.30	3	[illegible]	—	—	—	—	”
ARB	C	F.75	—	—	11	2.10	35	2.50	F.75.60
CSF	C	F.440	—	—	1	5	1	8	F.390
EK	C	$50	—	—	2	15⅝	—	—	$65½
EK	C	$60	4	5⅝	—	—	—	—	”
EK	C	$70	—	—	5	2	—	—	”
FNC	C	$25	20	⅜	—	—	—	—	$24¾
HO	C	F.30	—	—	3	3.70	—	—	F.32.30
HO	C	F.32.50	—	—	—	—	23	3.10	”
HO	C	F.35	—	—	—	—	1	2	”
IBM	C	$300	14	21¼	5	29	1	35½	$320¼
IBM	C	$320	44	4	30	15¾	5	23⅛	”
KLM	C	F.100	10	8	5	11.20	26	13	F.108
KLM	C	F.110	10	1	21	6.20	25	7.50	”
KLM	C	F.120	—	—	12	3	17	4.60	”
KLM	C	F.130	—	—	20	1.40	10	2.20	”
KLM	C	F.140	—	—	—	—	10	1.50	”
KLM	P	F.100	10	0.10	—	—	5	2	”
KLM	P	F.110	2	1.50	21	3.30	2	5.50	”
NN	C	F.110	—	—	6	3.60	10	4.20	F.109.20
PHI	C	F.22.50	25	2.60	21	2.80	40	3.30	F.25
PHI	C	[illegible]	184	0.40	99	1	224	1.60	”
PHI	C	F.27.50	—	—	20	[illegible]	98	0.60	”
PHI	P	F.25	—	—	—	—	10	1.20	”
RD	C	F.130	—	—	19	8.50	—	—	F.138
RD	C	[illegible]	—	—	10	4.20	—	—	”
RD	C	F.140	46	0.80	20	[illegible]	24	2.50	”
RD	P	F.130	—	—	2	1.30	—	—	”
RD	P	F.140	—	—	3	6	1	8	”
UNI	C	F.120	—	—	2	[illegible]	—	—	F.129
UNI	C	F.130	—	—	5	1.80	1	2.50	”
[illegible]		$60	10	⅛	—	—	—	—	$58⅞
			May		Aug.		Nov.		
BA	C	$60	—	—	1	11	—	—	$66½
SLB	C	$100	10	8	—	—	—	—	$107

TOTAL VOLUME IN CONTRACTS 1421

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Banks Ltd.	12 %
Amro Bank	12 %
American Express Bk.	12 %
A P Bank Ltd.	12 %
Henry Ansbacher	12 %
Associates Cap. Corp.	14 %
Banco de Bilbao	12 %
Bank of Credit & Cmce.	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Bremar Holdings Ltd.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12 %
Canada Perm't Trust	12 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12½%
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	13 %
Co-operative Bank	*12 %
Credit Lyonnais	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
English Transcont.	12½%
First Nat. Fin. Corp.	15 %
First Nat. Secs. Ltd.	14 %
■ Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	†12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Julian S. Hodge	13 %
Hongkong & Shanghai	12 %
Industrial Bk. of Scot.	12½%
Keyser Ullmann	12 %
Knowsley & Co. Ltd.	13½%
Lloyds Bank	12 %
London Mercantile	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Rossminster	12 %
Royal Bk. Canada Tst.	12 %
Schlesinger Limited	12 %
E. S. Schwab	13 %
Security Trust Co. Ltd.	13 %
Shenley Trust	15 %
Standard Chartered	12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
Twentieth Century Bk.	13 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9½%. 1-month deposits 9¾%.
† 7-day deposits on sums of £10,000 and under 9½%, up to £25,000 10% and over £25,000 10¼%.
‡ Call deposits over £1,000 9½%.
§ Demand deposits 9½%.

COMMODITIES and AGRICULTURE

Tory attack on Germany's domination of farm policy

BY CHRISTOPHER PARKES

WEST GERMAN domination of the European Community's farm policy came under vigorous attack yesterday from Mr. John Peyton, shadow spokesman on agriculture.

"Consideration of the present state of the Common Agricultural Policy persuades me that it could, with more accuracy, be renamed the German Agricultural Policy," he said in a lunchtime speech in London.

He blamed the most serious departures from the aims of the CAP on the Germans and "the skilful way in which they have identified their own interests and pursued them."

The aim of true "common" price levels was remote, he said.

German farm prices were 10 per cent above the notional common level. "The idea that you produce where it is most economical to do so has also gone by the board," Mr. Peyton added.

With the aid of Community import charges and export subsidies, Germany had been able to protect its home market from farm exports and sell some of its surpluses abroad.

He also attacked the German's extravagant use of EEC support buying by the intervention agencies. In April last year, Mr. Peyton claimed, 75 per cent of the butter in intervention and 67 per cent of milk powder stocks were of German origin.

And in the 1977-78 season 93 per cent of the wheat in store was from the Federal Republic.

The cost to the EEC of supporting agriculture in Germany was 40 per cent more than in Britain and 20 per cent more than in France.

"I find it very difficult to avoid the conclusion that the Germans have won too many arguments," Mr. Peyton said.

● A Liberal Party special manifesto on agriculture said farming needed more long-term policy making. At present farmers were forced to change their policy from one annual review to the next.

The policy needed to be based on a 10-year period the manifesto said.

The party also called for the creation of an Agricultural Land Bank to provide medium-term credit for farmers, and the revival of the smallholdings movement.

Peyton pledges protection for British fisheries

BY RICHARD MOONEY

A CONSERVATIVE Government would not accept an EEC fisheries settlement which was unfair to British fishermen or failed to protect fish stocks from further "looting," Mr. John Peyton, shadow Fisheries Minister, said, in a statement yesterday.

Current Common Market proposals do not reflect the substantial loss of fishing opportunities suffered by the UK since the world-wide switch to 200-mile national limits, or the major contribution from British waters to EEC fish resources, he declared. "They are, therefore, unacceptable."

Conservation measures should include limits on total allowable catches, rules covering effort, access and methods, coastal state enforcement of fisheries rules, and special protection for the rights of inshore fishermen, Mr. Peyton said.

"It goes without saying that such measures must be enforced against all-comers and certainly not against our own fishermen alone," he added. "In the absence of Community agreement we would not hesitate to introduce such measures unilaterally."

Mr. Peyton's proposals are remarkably similar to those Mr. John Silkin, the current Minister, has been pressing in Brussels. They are unlikely to sway many voters in fishery constituencies, which are, in any case, mostly Labour strongholds.

Speculative selling hits copper

By John Edwards, Commodities Editor

COPPER PRICES fell sharply on the London Metal Exchange yesterday as fresh speculative selling hit the market. Cash wirebars closed £18.5 down at £1,024.5 a tonne.

London traders said a major reason for the decline was the fall in the New York market as a result of the closing of the May "open" positions. Speculators who have bought copper for delivery in May have been making matching sales to cancel out these purchases. This has coincided with general book-squaring and profit-taking prior to the Easter holiday.

Most dealers in London feel the recent decline in prices is basically a technical reaction. It is argued that the fundamental supply-demand position remains unchanged and points the way to higher prices in the weeks ahead as surplus stocks continue to decline.

Although the threatened strike as Noranda's Canadian Copper Refinery has been averted, the Gaspe and Inco strikes continue and there is concern about supplies from the African copperbelt, especially Zaire.

Lead prices fell yesterday despite news from the U.S. that talks aimed at settling the strike at Kennecott's Ozark mine had failed.

UK FARMING

Hard and costly winter

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THIS TIME the time of year when grass "keep" is sold by auction. That is, farmers are able to buy the summer grazing or cut hay on grassland which, for some reason, the owner does not wish to farm himself.

This keep usually makes a high price, but last week at one of the earlier sales in Cumbria some 90 acres were sold for £106 an acre. This would probably be two or three times the annual rent for this sort of land on a farm tenancy.

The reason for this extreme price was simply, according to my informant, that the winter had so depleted farmers' reserve stocks of fodder, that they were determined to buy grazing for their young cattle and sheep. This would allow them to build up reserves at home, although on the face of it the economics of paying this sort of money for grass keep appear to be ludicrous.

But this is just one facet of the increasing cost of this winter.

The harm being done is three-fold—to the growing crops which were planted last autumn, to the prospects of this year's spring sowings of grain, potatoes and other roots, and to grasslands.

Autumn-sown wheat and barley has, as in France, suffered, particularly on the lighter soils, and this damage has been caused not so much by the cold but by the action of the repeated frosts which moved the ground and either lifted the plants on to the surface or broke them off. Farmers tell me the worst of the damage is only now being revealed, as the plants remaining grow away from those withering.

If the crop has been completely destroyed, as it has in some instances, deciding to plough it up and replant usually with spring barley is no problem. But an agonising decision has to be made in cases where the crop has been thinned but not destroyed. Will it produce more in its present state, than if resown to the lower-yielding spring barley?

The decision is all the more difficult to make because growth is still so slow that it is questionable whether some crops will have time to tiller properly before they begin to produce seed heads. Tillering should have started at the end of February, five or six weeks ago, and it seems almost certain that whatever happens now, autumn-sown crops could well be thin.

All the pundits say spring barley must be sown in March at the latest. On my own farm some 20 acres went in on March 5 and since then nothing has been done at all until last weekend.

But this is fairly heavy land. On the lighter soils of the chalk downs there has been quite a bit of sowing in the past week or so, but in the Midlands and Eastern England practically nothing had been done.

In the eastern counties sowings of peas, sugar beet and other intensive crops have been held up as well as barley. But in the snow-covered areas there has not been such a loss of autumn-planted grain, particularly on heavy land.

In most of the country the land has been too wet even for the fertiliser distributors to operate, and once the fields dry out there will be a huge backlog of work.

There has been a very serious loss of grass seeds sown last autumn. The drought delayed germination until December, and then the plants were so tiny and weak that they succumbed at once to the frost.

The worst of this damage is only just becoming apparent. I have lost a lot on my own farm, and many other farmers have fared much worse.

This problem has been compounded by the low temperatures which have inhibited growth to the extent that unless a miracle of some sort changes the weather patterns there will be much delay in pasture growth.

This is extremely serious for all stock farmers. Supplies of hay and other forage, which had been considered ample, are now very short.

Hay which had been very reasonably priced, particularly in the south, appears almost to have doubled in price in the last month, and is becoming very scarce. A growing scarcity of grain is also raising the price of compound feeds.

This is particularly hard on sheep farmers who have had a difficult lambing, and are now faced with an extended period of expensive feeding.

As far as lowland flocks are concerned, lambing has been very difficult but not impossible. Where the ewes have been well fed they have had milk and the lambs in general have been good, although in many cases the numbers born have not been quite as high as customary.

The reduction in numbers has meant that the lambs on the whole have been strong and have been able to put up with some fairly rough conditions.

First reports from hill areas indicate that although there have been losses they have not yet in general been spectacular as far as ewes are concerned. The probability, though, is that many of the ewes are in such poor condition, due to the sheer inability to get feed to them, that their chances of rearing a good lamb crop have been much reduced.

This could have serious implications for the supply of replacements for lowland flocks in future years as most of these are based on hill breeds.

In many respects this winter has been worse than either the 1947 or 1963 spectaculars when the south of England was snow covered for at least three months.

The persistence of the bad weather with a constant repetition of snow, rain, frost and low temperatures has, I believe, done even more harm that did those previous winters by its steady erosion of crops, grass and livestock feed and to some extent farmers' morale. Those on tight margins could face serious difficulties.

EEC cuts bacon subsidies

BY MARGARET VAN HATTEM

THE COMMON Market Commission has adjusted the formula used for calculating monetary compensatory amount (MDCA) subsidies on bacon, ham and pork products.

Reducing the coefficients used int he MCA calculation will cut subsidies on Danish, Dutch and Irish bacon shipped to Britain by between 5 and 10 per cent.

This will benefit UK pigmeat processors who have long complained at the unfair advantages given to imported produce.

In a related decision, the Commission also decided to raise the minimum import price, the "sluice-gate" price on pigment imported from non-EEC countries, by 17 per cent from May 1.

The decisions are the result of heavy political pressure from the British and French, the Community's main pigmeat importers.

The change in co-efficients has long been resisted by the Danish and Dutch, the main exporters.

British pig processors have complained for years about the inroads made on the UK market by Continental procesosrs, particularly the Danes, with the help of large subsidies introduced to offset the slide of sterling on the foreign exchanges.

France, which is also a major importer of pig meat, has no MCA in this sector, following the "green" currency devaluations agreed at last month's Farm Council.

However, it has long pressed for a rise in the sluice-gate price, possibly in the hope of increasing its access to the West German market for processed products.

The price rise is expected to hit Polish and East German farmers, who up to now have exported substantial quantities to West Germany.

● The Meat and Livestock Commission forecast yesterday further reduction in the MCAs on Danish bacon caused by the continuing strength of sterling.

Next week, the Commission said, the subsidy on bacon sides should be cut from £144.79 a tonne to £125.83.

Extra sugar quotas proposed

THE INTERNATIONAL Sugar Organisation (ISO) wants to offer 165,000 tonnes of extra export quota allocations this year under its hardship reserve provision.

The extra quotas would be divided between Bolivia, 25,000 tonnes; El Salvador, 25,000; Fiji, 55,000; and Panama, 60,000.

Tme ISO executive committee has 10 days in which to object to hte proposal.

At the weekly export tender in Brussels yesterday the EEC Commission authorised sales of 52,450 tonnes of white sugar, with a maximum rebate of 31.020 ECU per 100 kilos. Last week 57,500 tonnes of whites were authorised for export.

Raw sugar exports totalling 10,000 tonnes were also authorised.

'World action needed to control disease'

BY OUR COMMODITIES STAFF

WORLDWIDE ACTION is needed to control African swine fever, a virulent pig disease with no known cure, according to the Food and Agriculture Organisation (FAO).

The disease has swept into Europe and Latin America since the first cases outside Africa were reported in Portugal in 1957.

The organisation said the disease was still present in Spain and Portugal where many millions of dollars were spent annually on slaughtering sick animals. Occasionally it appeared elsewhere in Europe.

The entire pig population of Malta had been killed. There had been 28 outbreaks in Sardinia in the past year and 19,000 pigs had been slaughtered

Cuba, infected in 1971, eventually eradicated the disease, but only after a third of the national pig herd had been killed.

Losses in Haiti had been "immense." Almost the whole of the eastern part of Brazil had been infected and slaughterings and control were costing the Government $8.5m a year.

Neighbouring countries were at risk, the FAO said, pointing out that Brazil's frontiers butted on to 10 other countries.

Since there was no immediate prospect of finding an effective vaccine against the disease, the organisation said, prevention remained the best and most economic policy for dealing with it.

Good Easter fish supplies

Grimsby's traditional Easter Show Day market was well supplied yesterday with almost 60,000 stones of fish, mainly cod. Prices were high, and some cod sold for £50 a 10-stone box, while plaice reached £35.

However, a small number of poor-quality haddock were unsold.

Farm loans cheaper

By Our Commodities Staff

THE Agricultural Mortgage Corporation has reduced the interest rate charged to new borrowers.

From today new variable rate loans will be charged at 14.5 per cent against the previous level of 16 per cent and interest on new fixed rate loans comes down to 13.5 per cent from 15 per cent.

Existing variable rate borrowers will continue to pay 16 per cent interest until the next review date on June 1.

The AMC last changed its interest rates on December 1. The rate for quarterly reviewable variable rate loans was confirmed at 16 per cent on March 1.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost ground on the London Metal Exchange in the face of profit-taking and speculative liquidation with the market unreceptive to sellers. Forward metal initially fell from £1,037 to £1,030, but then rallied to £1,035 before falling away again to £1,027. The close on the Kerb was £1,028. Turnover 39,650 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1029-.5	—22	1024-.5	—18.5
3 months	1034-.5	—20.5	1029-30	—17½
Settl'm'nt	1029.5	—22	—	......
Cathodes				
Cash	1031-.5	—20½	1026-8	—15.5
3 months	1031-.5	—19½	1026-8	—14.5
Settl'm'nt	1031.5	—20.5	—	......
U.S. Smt.	—	......	*93-105.25	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £1,035, 36, 35, 34, 35, 34.5. Cathodes: cash £1,032, 31.5, 31. Three months £1,031.5. Kerbs: Wirebars, three months £1,033, 33.5, 33, 32. Afternoon: Wirebars, three months £1,030.5, 30, 29, 28, 27, 26.5, 27, 28, 29, 28.5, 29, 29.5. Kerbs: Wirebars, three months £1,030, 30.5, 30, 29.5, 29, 28, 28.5, 28, 27.5, 27.

TIN—Moved erratically following a sharp decline in the East overnight. Forward metal slipped from £7,000 to £6,990 before bear covering lifted it to £7,040. After starting in the rings at £7,060 hedge selling and freer offerings of cash metal set off a decline to £6,960. After a rally to £7,030, chartist selling caused a fall to £6,975, the day's low, and the close on the Kerb was £6,985. Turnover 1,030 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7225-50	+22.5	7150-70	—57.5
3 months	7040-70	—70	7020-50	—60
Settlem't	7250	+10	—	......
Standard				
Cash	7225-50	+27.5	7150-70	—27.5
3 months	7025-30	—55	7010-20	—32.5
Settlem't	7230	+10	—	......
Straits. E.	‡$1961	—44	—	......
New York	—	......		

Morning: Standard, cash £7,230, 35, three months £7,050, 50, 60, 45, 40. High Grade, cash £7,235. Kerbs: Standard, cash £7,220, three months £7,030, 20, 10, 7,000. Afternoon: Standard, cash £7,150, three months £6,990, 7,000, 7,010. Kerbs: Standard, cash £7,160, three months £6,990, 80, 85.

LEAD—Fell away before meeting support at the lower levels. Pre-holiday profit-taking and freer offerings of cash metal caused forward metal to decline from £534, in a market influenced by the performance of copper. But trade support emerged at £523-£524, where heavy volumes were traded. The close on the Kerb was £528.5. Turnover 11,100 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	554-.5	—14	551-.5	—10
3 months	526.5-7	—11½	524-.5	—6
Sett'ment	555	—14	—	......
U.S. spot	—	......	*44	......

Morning: Cash £555, 55, 53, 54, three months £531, 30, 29, 28, 26, 26, 27. Kerbs: Three months £528, 26.5, 26, 27. Afternoon: Early May £551, three months £526, 27, 26.75, 24, 23, 22, 23, 24, 24.5, 25, 24.5, 24. Kerb: Three months £526, 27, 28, 29.

ZINC—Slightly easier in generally thin trading, with the market mainly influenced by the movements of copper and lead. Forward metal started at £384-£386 and held in the morning rings around £386-£387. A firmer trend emerged in the afternoon and £391 was touched before a close on the Kerb of £389.5. Turnover 9,425 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	375-.5	—2.25	374.5-5.5	—.5
3 months	386-7	—3	386-.5	—.5
S'ment	375.5	—2.5	—	......
Prim. west	—	......	*37.5	......

Morning: Three months £386, 86.5, 87, 86, 86.5. Kerbs: Three months £387. Afternoon: Three months £387, 86, 85.5, 86. Kerb: Three months £387, 87.5, 88, 87.5, 88, 89, 90, 91, 90.

ALUMINIUM—Lower as forward metal proved vulnerable to bull liquidation and slipped from £750 to £740 in line with copper. In the afternoon the price recovered, helped by the lower level of sterling, and closed on the Kerb at £744.5. Turnover 6,775 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	741-2	—9	737-8	—14
3 months	745.5-6.5	—6.5	741.5-2	—11

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £747, 46, 45.5, 45, 46. Afternoon: Three months £743, 42, 41, 40, 41, 41.5, 42, 41.5. Kerbs: Three months £742, 45, 44.5, 44.

SILVER

Silver was fixed 2.6p an ounce lower for spot delivery in the London bullion market yesterday at 358.0p. U.S. cent equivalents of the fixing levels were: Spot 752.0c, down 5.8c; three-month 768.3c, down 7.1c; six-month 784.8c, down 7.6c; and 12-month 810.6c, down 6.4c. The metal opened at 358-359p (752-754c) and closed at 355-357p (743-746c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	358p	—2.6	355.45p	—3.05
3 months	366.5p	—3.2	364.65p	—2.7
6 months	374.6p	—3.2	—	......
12 months	387.5p	—3.2	—	......

LME—Turnover 258 (155) lots of 10,000 ozs. Morning: Three months 367, 6.9, 6.8. Kerbs: Three months 366.5. Afternoon: Three months 363.5, 63.8, 64, 63.5, 63.7, 64, 63.8, 64.2, 64.1, 64.3, 64.5, 64.6, 64.7. Kerbs: Three months 366, 65.5, 65.8, 65.5.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 156 tonnes, bringing the total for the week so far to 865 tonnes. Minor replenishment needs accounted for the majority of the demand, with users still inclined to be cautious. Most of the regular growths were again sought.

COCOA

In lacklustre conditions the market remained within a narrow range and closed close to the previous levels, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	1565.0-66.0	+4.5	1572.0-56.0
July	1545.0-46.0	+2.0	1554.0-36.0
Sept	1574.0-75.0	—5.0	1578.0-62.0
Dec	1644.0-45.0	+5.5	1648.0-31.0
March	1676.0-77.0	+3.0	1680.0-65.0
May	1697.0-1700	—5.0	1705.0
July	1715.0-20.0	—6.5	1725.0

Sales: 3,604 (8,833) lots of 15 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price April 10: 143.90 (145.36): Indicator prices for April 11: 15-day average 148.08 (149.58); 22-day average 150.73 (151.38).

COFFEE

ROBUSTAS continued to move ahead after early resistance eventually surrendered to the prolonged bullish sentiment, reports Drexel Burnham Lambert. During the afternoon prices tended to drift lower under persistent Commission House selling before producer involvement contributed towards an irregular close, values finishing up £09.0 to down £20.0 from yesterday.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1562-1565	+09.0	1570-1555
July	1506-1507	+07.5	1515-1497
September	1504-1505	—08.5	1515-1506
November	1502-1503	—16.5	1518-1503
January	1502-1504	—18.0	1517-1501
March	1490-1492	—19.5	1509-1488
May	1482-1486	—16.0	—

Sales: 4,775 (7,308) lots of 5 tonnes.

ICO Indicator prices for April 10 (U.S. cents per pound): Colombian Mild Arabicas 140.00 (139.50), unwashed Arabicas 144.00 (same); Robustas ICA 1968 140.00 (139.50); Robustas ICA 1976 138.84 (137.84); other Mild Arabicas 138.17 (136.67). Composite daily average 134.52 (134.25).

GRAINS

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
May	101.75	—0.85	97.05	—0.65
Sept.	93.05	—0.55	87.10	—0.45
Nov.	96.05	—0.50	90.25	—0.45
Jan.	99.30	—0.55	93.65	—0.5
Mar.	102.05	—0.60	96.40	—0.6

Business done—Wheat: May 102.80-101.85, Sept. 93.90-93.15, Nov. 96.70-96.05, Jan. 100.00-99.50, March 102.85-102.30. Sales 183. Barley: May 98.75-97.85, Sept. 87.85-87.30, Nov. 91.00-90.50, Jan. 94.40-94.05, March nil. Sales 137.

RUBBER

UNCHANGED opening on the London physical market. Little interest throughout the day, closing quietly steady. Lewis and Peat reported a Malaysian godown price of 277 (same) cents a kg (buyer, May).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
May	59.80-60.05	60.50-61.00	59.70-59.50
June	61.10-61.15	61.50-62.05	61.10-60.80
Jy-Sept	62.85-63.00	63.30-63.55	63.25-63.50
Oct-Dec	64.85-65.00	65.50-65.60	65.75-64.55
Jan-Mar	66.55-66.60	67.00-67.05	66.85-66.25
Apr-Jne	68.15-68.30	68.50-68.50	67.90
Jy-Sept	69.80-69.85	69.90-70.10	69.85-69.65
Oct-Dec	69.80-69.85	71.55-71.60	71.55-70.75
Jan-Mar	73.35-73.40	73.60-73.60	73.35-72.35

Sales: 522 (401) lots of 15 tonnes, 55 (8) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 59.75p (60.25); May 63.25p (63.5); June 63.25p (63.5).

WOOL FUTURES

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: May 396.5, 397.0, 398.0-396.0, 14; July 403.0, 404.0, 405.0-404.0, 13; Oct. 402.0, 402.5, 403.0-402.0, 6; Dec. 403.0, 404.0, 404.5-403.0, 8; March 404.0, 404.5, 406.0-404.0, 10; May 404.0, 406.0, 405.0-405.0, 4; July 408.0, 410.0, 410.0-409.5, 2; Oct. 410.0, 412.5, 413.0-413.0, 1. Sales 58.

LONDON GREASY—Close (in order buyer, seller). May 240.0-245.0, July 247.0-253.0; Oct., Dec., March, May, July, Oct. all 250.0, 255.0. Sales nil.

NEW ZEALAND CROSSBREDS—Close (in order buyer, seller). May 194.0, 198.0; July 196.0, 200.0; Oct. 198.0, 201.0; Dec. 201.0, 205.0; March, May, July, Oct. all 201.0, 207.0. Sales nil.

SOYABEAN MEAL

The London market opened with losses of around £1 on continued liquidation cash interests in all positions and lack of further selling pressure brought commercial support, reported T. G. Roddick. The market rallied strongly to close on the highs.

	Yesterday Close	+ or —	Business Done
	£ per tonne		
April	118.00-33.0	+3.5	—
June	125.00-23.2	+4.5	125.10-121.60
August	125.10-25.2	+4.0	125.20-123.70
October	124.00-24.7	+3.5	124.00
December	122.50-23.0	+1.5	122.40-121.60
February	122.50-25.5	+1.0	—
April	123.00-25.0	—1.3	—

Sales: 182 (84) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £95.00 (same) a tonne cif for March-April shipment. White sugar daily price was fixed at £100.50 (£102.00).

The market opened slightly below kerb levels and thereafter prices showed little change, in moderate trading conditions, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	101.30-01.85	101.35-01.40	102.25-01.10
Aug	105.35-05.45	105.40-05.50	106.25-05.25
Oct	108.45-08.50	108.50-08.55	109.25-08.25
Dec	111.80-11.90	112.00-12.10	112.50-11.75
March	116.00-16.15	116.75-16.35	116.75-16.00
May	118.55-18.60	118.50-18.75	118.55-18.60
Aug	121.60-22.25	121.75-22.25	—

Sales. 1,713 (2,501) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £279.50 (same) a tonne for home trade and £165.00 (same) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for April 10: Daily 7.87 (8.03); 15-day average 8.28 (8.33).

WHITE SUGAR—Close (in order buyer, seller, business sales): July 104.75, 105.00, 105.00-04.75, 25; Sept. 107.85, 108.00, 108.75-08.00, 172; Nov. 111.85, 112.00, 112.00, 10; Feb 119.00, 119.50, nil, nil; April 123.00, 124.00, nil, nil; July 126.00, 129.00, nil, nil; Sept. 129.00, 134.00, nil, nil. Sales 207.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 54.0 to 58.0; Eire hindquarters 69.0 to 72.0, forequarters 34.0 to 38.0.

Veal: Dutch hinds and ends 84.0 to 96.0.

Lamb: English small new season 90.0 to 102.0, medium new season 90.0 to 98.0. Imported frozen. NZ PL new season 49.0 to 50.5, PM new season 48.0 to 49.5.

Hoggets: English 36.0 to 76.0; Scottish 36.0 to 74.0.

Pork: English, under 100 lbs 36.5 to 45.0, 100-120 lbs 36.0 to 43.5, 120-160 lbs 33.0 to 42.0.

MEAT COMMISSION—Average fatstock prices at representative markets on April 11. GB cattle 71.85p per kg l.w. (−1.16): UK sheep 176.5p per kg. est.d.c.w (−1.1); GB pigs 58.9p per kg l.w. (−1.2). England and Wales—Cattle numbers down 2.7 per cent, average price 72.81p (−0.89); Sheep numbers down 33.3 per cent, average price 176.3p (−1.3): Pig numbers down 13.1 per cent, average price 58.9p (−1.3). Scotland: Cattle numbers up 91.9 per cent, average price 69.77p (−0.82): Sheep numbers up 188.1 per cent, average price 180.4p (+5.3): Pig numbers down 16.7 per cent, average price 60.7p (−3.5).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Spania, Navels 3.00-3.20, Bloods 3.00-3.10; Israeli Shamouti 4.40-5.50; Cypriot: 3.50-4.30, Moroccan: Valencia Lates 3.80-4.20. Lemons—Italian: 120's 4.80-5.00. Cypriot: Trays 3.40-4.30; Spania. Trays 30/40/45 1.80-2.20, boxes 4.60. Grapefruits—Cypriot: 2.50-4.20; Israeli: Jaffa 27/88 3.45-4.25. Apples—S. African: Dunn's 5.80-6.00, Golden Delicious 6.80-7.00, Starking 7.60, Jonathans 7.20-7.40; French: Golden Delicious (40 lb) 138/175's 3.30-4.40, (20 lb) 72's 1.80-2.00, 84's 1.60-1.80, (jumble pack) per pound 0.08-0.10, Starkrimson (40 lb) 138/198's 4.00-5.20, (20 lb) 84's 2.00-2.30, 72's 2.40-2.50, (jumble pack) per pound 0.08-0.10; Starking (40 lb) 150/175's 3.60-5.00; Italian: Granny Smith per pound 0.10-0.11; Washington: Red Delicious 40 lb 7.50-10.00. Pears—S. African: Cases 40 lb Packham's 8.40, Beurre Bosc 6.80, Beurre Hardy 6.80-7.40, Cartons 34/35 lb Beurre Hardy 6.00-6.20, Beurre Bosc 5.80-6.00; Italian: Passacrassane trays 14 lb 2.20-2.30. Plums—S. African: Per pound Songold 0.40-0.45, Golden King 0.40-0.44. Bananas—Jamaican: Per 26 lb 4.00-4.20. Pineapples—S. African: 7/11's 4.00-4.60; Ivory Coast: each 0.60-0.90. Grapes—S. African: Cartons, Waltham Cross 6.30, Barlinka 5.80, Golden Hill 6.60. Strawberries—Per 8 oz Israeli: 0.45, Spanish: 0.40; Italian: Per ½ lb 0.38-0.40. Avocados—Israeli: 3.50-3.80; S. African: 4.40-4.60. Melons—Chilean: White 15 kg 7.00. Ortaniques — Jamaican: 8.25-8.75. Onions—Dutch: 1.80-2.40; S. African: 22 lb 1.60, large bags 5.50-5.60: Hungarian 55 lb 2.40; Italian: 4.80; Canadian: 50 lb 3.00; Polish: 55 lb 2.50-3.50; Chilean: 4.80-5.80. Tomatoes—Canary: 3.80-5.00; Jersey: Per pound 0.50-0.53; Dutch: 0.50-0.53. Cucumbers—Canary: 10/16's 2.60-2.80; Dutch: 12/16's 2.60-2.80; Romanian: 3.20. Cauliflowers—French: 24's 9.30-9.50; Jersey: 9.00. Lettuces—Dutch: 24's 3.60. Celery—Spanish: 15/36's 5.00-5.50. Cabbages—Dutch: White, net 6.60-7.00. Potatoes—Canary: 25 kg 4.40-4.60; Egyptian: 50 lb 4.30-4.50; Cypriot: 4.50. Capsicums—Canary: 5 kg 5.00-5.50; Cuban: 3.50; Dutch: 5.60.

English produce: Potatoes—Per 25 kg 1.80-2.40. Lettuces—Per 12 round 1.80. Mushrooms—Per pound 0.50-0.60. Apples—Per pound Bramley 0.05-0.10; Cox's Orange Pippin 0.08-0.20; Laxton's 0.04-0.06. Pears—Per pound Conference 0.12-0.17. Beetroots—Per 28 lb 0.90-1.00. Carrots—Per 28 lb 1.20-1.60. Onions—Per 28 lb 1.50-2.50. Rhubarb—Per pound 0.16-0.22, outdoor 0.12. Swedes—Per 28 lb 1.30-1.50. Turnips—Per 28 lb 1.20-1.30. Parsnips—Per 28 lb 1.20-1.40. Sprouts—Per pound 0.16-0.20. Cucumbers—Tray, 12/16's 3.00-3.60. Tomatoes—Per pound 0.52-0.55

PRICE CHANGES

In tonnes unless otherwise stated.

	Apr. 11 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free Mkt (cs)	$1,540-60	—25.0	$1,465/75
Copper			
Cash w'bar	£1024.25	—18.5	£968
3 mth	£1029.5	—17½	£979.25
Cash Cathode	£1027	—15.5	£956
3 mth	£1027	—14.5	£974.5
Gold troy oz.	$236.875	—2.75	$240.125
Lead cash	£552	—10.0	£605
3 mth	£524.8	—6.0	£556.75
Nickel	£2480.55	......	£2,320.69
Freemkt (cif)(lb)	265/85c	......	212/228c
Platin'm tr'y oz	£159	......	£164.5
Free mkt	£165.5	—0.65	£192.75
Quicksil'ver	$255/65	......	$235/40
Silver troy oz	358p	—2.6	348.35p
3 months	366.5p	—3.2	356.85p
Tin cash	£7,160	—27.5	£7,335
3 mths	£7,015	—52.5	£7,227.5
Tungsten	$137.32	......	$134.1
Wolfrm 22.04 cif	$131/35	......	$139/46
Zinc cash	£375	—0.5	£376.5
3 months	£386.25	—0.5	£388.25
Producers	$600	......	$600
Oils			
Coconut (Phil)	$1,095y	+58.5	$1,000
Groundnut	‡		‡
Linseed Crude	£410	......	£408
Palm Malayan	$667u	—7.0	$668
Seeds			
Copra Philip	$710q	—10.0	$680
Soyabean (U.S.)	$307.5r	—6.0	$307
Grains			
Barley Futures	£87.10	—0.45	£94.9
Maize			
French No 3 Am	£110.75	—1.25	£109.5
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	£103.5s
Eng. Milling †	£101.5	......	£98
Other commodities			
Cocoa ship't	£1,501	+11.0	£1,779
Future July	£1,545.5	+8.0	£1,751
CoffeeF't'r July	£1,506.5	+7.5	£1,466
Cotton A'index	73.5c*	......	75.9c
Rubber kilo §	59.75p	—0.5	57.75p
Sugar (Raw)	£95	......	£103
Wooltp's 64s kl	286p	......	286p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. s June-July. April-June. u June. x Per ton. z Indicator. § Buyer.

AMERICAN MARKETS

Precious metals fall

NEW YORK, April 10.

Cocoa—May 137.25 (137.85), July 140.20 (140.85), Sept. 143.20, Dec. 147.25, March 149.85, May 151.30, July 152.70. Sales: 812.

Coffee—"C" Contract: May 142.50-143.00 (140.55), July 143.50-143.60 (142.19), Sept. 146.25-146.40, Dec. 146.25-146.45, March 146.25-146.40, May 146.75-147.00, July nil. Sales: 1,844.

Copper—April 96.40 (96.40), May 96.60 (96.90), June 97.10, July 97.50, Sept. 96.90, Dec. 96.60, Jan. 96.45, March 96.10, May 95.75, July 95.50, Sept. 95.25, Dec. 94.95, Jan. 94.85.

Cotton—No. 2: May 59.90 (60.13), July 61.41-61.50 (61.90), Oct. 62.52-62.80, Dec. 62.80-62.85, March 64.23-64.25, May 65.20-65.50, July 66.10-66.60. Sales: 5,650.

This edition went to press before the latest U.S. market reports were received.

*Gold—April 239.20 (238.80), May 240.50 (241.30), June 242.40, Aug. 246.50, Oct. 250.70, Dec. 255.00, Feb. 259.30, April 263.60, June 267.90, Aug. 272.20, Oct. 276.60, Dec. 281.00, Feb. 285.40.

Orange Juice—May 104.10 (104.50), July 104.10-104.30 (103.60), Sept. 103.90-104.10, Nov. 99.90-100.20, Jan. 96.90-96.90, March 97.00-97.20, May 97.40-97.50, July 98.00-98.30, Sept. 98.30-98.70.

*Platinum — April 388.00-390.00 (388.00), May 388.90-389.10 (388.10), June 389.10-389.30, July 387.20-387.80, Oct. 388.50-389.00, Jan. 391.20-391.40, April 393.50, July 395.80-396.00, Oct. 398.30-398.50.

Potatoes (round whites)—Nov 62.5-62.8 (62.5), March 68.5-68.8 (68.5). April unquoted, May 80.9-81.0. Sales: 11.

¶Silver—April 756.20 (758.50), May 760.00 (762.50), June 765.40, July 770.70, Sept. 781.10, Dec. 795.70, Jan. 800.40, March 810.10, May 819.90, July 829.60, Sept. 839.30, Dec. 854.00, Jan. 858.80. Handy and Harman spot 757.00 (761.50).

Sugar—No. 11: May 8.24 (8.29), July 8.58 (8.58), Sept. 8.85, Oct. 8.97, Jan. 9.31, March 9.68, May 9.88, July 10.05, Sept. 10.24.

Tin—692.00-715.00 nom (715.00-720.00 nom.). Spot 692.00-715.00 asked (715.00-720.00).

CHICAGO, April 10.

Lard—Chicago loose not available. New York prime steam 29.00 traded.

Live Cattle—April 75.80-75.72 (75.90), June 75.05-75.10 (75.37), Aug. 73.30-73.40, Oct. 71.20-71.25, Dec. 71.25-71.30, Jan. 71.12, Feb. 71.30-71.42, April 71.65, June 72.10, Aug. 72.00. Sales. 34,019.

Live Hogs—April 47.80-47.80 (47.32), June 49.65-49.45 (49.47), July 49.90-48.77, Aug. 46.85-47.00, Oct 43.75-43.70 asked, Dec. 43.85-43.90, Feb. 43.65, April 41.60, June 42.30 asked. Sales: 6,601.

‡‡Maize—May 252¾-252½ (254), July 257¾-257½ (258¼), Sept. 261-260½, Dec. 265½-265, March 273½-273¾, May 280.

Plywood—May 201.2 (201.8), July 203.2-203.3 (203.2), Sept. 203.0, Nov. 202.0, Jan. 203.5, March 205.0, May 205.0, July 205.5, Sept 205.5.

Pork Bellies—May 58.70-58.90 (58.42), July 57.30-57.50 (57.30), Aug. 56.00-55.10, Feb 52.30 asked-52.25, March 52.10 asked, May 52.60 bid, July 52.75 asked, Aug 51.00. Sales: 5,223.

Shell Eggs—April 53.00 asked-52.55 asked (53.15), May 51.75 (52.00), June nil, July nil, Aug nil, Sept. 61.15-61.10, Oct. nil, Nov. nil, Dec. 63.50 asked. Sales. 99

Silver—April 754.5 (758.9), May 758.0 (763.3), June 765.5-764.5, Aug. 775.0-775.6, Oct. 785.5, Dec. 795.0-795.5, Feb. 804.0, April 813.5, June 822.5, Aug. 832.5, Oct. 842.5, Dec 852.5 nom., Feb. 862.5 nom., April 872.5, June 883.0 nom., Aug. 893.5, Oct. 904.0 nom., Dec. 914.5 nom.

‡Soyabeans—May 745-746 (761½), July 756-755 (770), Aug 749-750, Sept. 724, Nov. 704½-704, Jan. 712, March 721½, May 728½.

‖Soyabean Meal—May 195.50-198.30 (200.10), July 201.30-201.00 (204.30), Aug. 201.30-201.50, Sept. 199.50-200.00, Oct 193.30, Dec. 193.30-193.00, Jan. 194.30-194.00, March 197.00.

Soyabean Oil — May 26.48-26.43 (26.95), July 26.63-26.61 (27.08), Aug. 26.45, Sept. 26.05-26.00, Oct. 25.50-25.45, Dec 25.15-25.20, Jan. 25.15, March 25.10, May 25.05-25.10, July 25.00-25.50.

‡Wheat—May 337½-338 (334½), July 323¼-323 (321¼), Sept. 326¼, Dec. 337½, March 346, May 349.

WINNIPEG, April 10. §Rye—May 104.80 asked (105.30), July 104.00 bid (104.20 asked), Oct. 104.00 asked, Dec. 103.70 asked

§Barley—May 83.00 asked (83.10 asked), July 83.10-83.20 (83.10), Oct. 86.00 bid, Dec. 85.90 bid, March 87.40 bid

§Oats—May 82.20 asked (83.40 asked), July 79.40 asked (80.40 asked), Oct. 82.20 asked, Dec. 81.50 asked, March 80.50.

§Flaxseed—May 329.90 asked (331.00 bid), July 324.90 asked (326.00 bid), Oct. 313.10 bid, Nov. 303.50 bid, Dec. 306.00.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 182.75 (184.35).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. ¶ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, April 11.

U.S. No. 2 Dark Hard Winter wheat, 13.5 per cent, unquoted. U.S. Hard Winter wheat ordinary April-May $150, June $148, July $146, Aug. $147, Sept $148. U.S. No. 2 Red Winter wheat June $145, July $142, Aug. $143, Sept. $144. U.S. No. 2 Northern Spring wheat, 14 per cent, April/mid-May $151, May $149.25, June $147.50, July $146.

PARIS, April 11

Cocoa (FFr per 100 kilos)—May 1367-1370, July 1355 bid, Sept. 1416-1420, Dec. 1456-1458, March 1460 bid, May 1475 bid. Sales at call 23. Accumulative total 88.

Sugar (FFr per 100 kilos)—May 885-892, July 905-925, Aug 940-946, Oct. 990-997, Nov. 985-997, Dec. 1020-1030, March 1055-1075, May 1075-1095. Sales at call nil.

INDICES

FINANCIAL TIMES

Apr. 10	Apr. 9	M'nth ago	Year ago
271.86	272.68	271.34	239.44

(Base: July 1, 1952=100)

MOODY'S

Apr. 10	Apr. 9	M'nth ago	Year ago
1049.2	1050.0	1054.2	906.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Apr. 10	Apr. 9	Month ago	Year ago
Spot	379.02	376.27	380.10	364.85
F'tur's	382.50	383.99	385.55	365.36

(Average 1924-25-26=100)

REUTERS

Apr. 11	Apr. 10	M'nth ago	Year ago
1544.3	1549.6	1541.3	1441.0

(Base: September 18, 1931=100)

LONDON STOCK EXCHANGE

Tap stock over-subscribed but Gilt-edged react late

Equities show reluctance to fall and index closes higher

Account Dealing Dates

*First Dealings	Declara-tions	Last Dealings	Account Day
Mar. 26	Apr. 5	Apr. 6	Apr. 18
Apr. 9	Apr. 19	Apr. 20	May 1
Apr. 23	May 3	May 4	May 15

* "New time" dealings may take place from 9.30 am two business days earlier.

Option

Confirmation of early money market suggestions that the new medium tap stock had been over-subscribed provided the basis for a combination of revived overseas and domestic investment support for Gilt-edged securities in a market again completely untapped. Earlier, quotations were tending to surrender small early gains in light of yesterday's setback in the sterling exchange rate and this initial reactionary tendency was repeated during the late afternoon when the fall in the pound sharpened.

Demand had been concentrated on the longer maturities, up as much as ¾ in places before a slight paring of the gains towards the official close. But the advantage was lost completely in after-hours' dealings and in some cases net losses extending to ¾ began to appear. The shorts also attracted a fair amount of busines and settled narrowly mixed. Sentiment in both the funds and sterling was probably unsettled by the Price Commission's indication of an increased rate of inflation.

The equity sections were relatively neglected, partly because many investors had committed their funds to applications for the tap, Exchequer 11 per cent 1991. Some light selling was aroused by the MORI poll with its reduced Tory election lead and, in the absence of institutional buyers, the offerings tended to lower leading shares a penny or two.

The downdrift gave every appearance of persisting, but several dealers in leading stocks decided in the early afternoon to cut their bear commitments and this produced a technical recovery on the back of which a more genuine demand developed. The movement was clearly reflected in the FT 30-share index which improved from being 1.9 down at 11 am to close a net 3 points up at 538.7.

Covering operations in the wake of the lower sterling rate prompted a recovery in the investment dollar premium which closed 2¼ points higher at 54¾ per cent. Yesterday's SE conversion factor was 0.8079 (0.8184).

A big demand was again seen in Traded options for Cons. Gold which contributed 880 trades out of a total of 2,256, the highest this month. Marks and Spencer, expected to announce annual results shortly, also attracted a good trade with 313 contracts.

Insurances were featured by GRE and Eagle Star which both recorded good gains in response to much-better-than-expected annual results; the former ended 18 to the good at 278p and the latter 7 dearer at 164p. Other Composites moved higher in sympathy. General Accident gained 6 to 246p and Sun Alliance 8 to 594p. Among brokers, Matthews Wrightson improved 2 to 200p, after 205p, following the satisfactory results, but Minet dipped 6 for a two-day relapse of 29 to 156p on further consideration of the disappointing preliminary figures. Elsewhere, Pearl continued firmly at 294p, up 12, while Britannic added 4 to 188p.

Keyser Ullmann came in for some late speculative support and closed 4 up at a 1979 peak of 77p. The major clearers tended quietly firm with Barclays 8 up at 480p and Midland 5 harder at 420p. Bolstered by the trend towards cheaper money, Hire Purchases made small progress.

Brewery and kindred issues attracted a good business although prices tended to close slightly below the day's best. Guinness ran up to 210p before closing only a penny up at 206p, while Whitbread, 139p, and Allied 99½p, both added around 2. Provincial brewers Gibbs Mew, dealt under special rules, advanced 16 to 162p in a narrow market followin gthe placing of 8.5 per cent of the equity with the market.

Interest in the Building sector was at a low ebb. Among the occasional noteworthy movements, Brown and Jackson, a strong market of late, reacted 27p to 478p in front of today's preliminary results, while Aberthaw remained unsettltd at 115p, down 5, o nthe current year profits warning. John Finlan eased 2 to 59p, the return to profitability being outweighed by the absence of a dividend. Leyland Paint encountered further support at 148p, up 5, while fresh buying in an extremely thin market lifted Parker Timber 11 more to 163p.

A few pence easier initially, ICI picked up to finish 2 dearer on balance at 397p, while Fisons rose 8 to 313p following the full report.

W. H. Smith down

W. H. Smith A reflected acute disappointment with the annual profits and fell away to close 21 down at 174p, after 173p. Profit-taking after the interim figures left falls of 10 and 8 respectively in Burton Ordinary, 325p, and A, 300p, while the Warrants relinquished 9 to 159p. News that a recent revaluation of the group's properties revealed a surplus of £135m buoyed UDS which rose 7 to 123p, while Empire (Bradford) hardened 2 to 230p following the results and proposed 20 per cent scrip-issue. Wallis gained 6 to 100p on buying in a thin market. A strong market of late following good results and a proposed scrip-issue, Bambers encountered profit-taking and finished 12 down at 285p, after 275p, and Owen Owen declined 10 to 136p in reaction to the disappointing results.

Renewed buying interest was again fairly well spread throughout the Electrical sector. AB Electronic returned to favour with a rise of 8 to 240p, while Eurotherm closed similarly dearer at 328p. Farnell put on 15 to 520p and Kode 6 to 230p. Against the trend, Lec Refrigeration became a poor market at 75p, down 9, on disappointment with the preliminary results. Thorn continued firmly at 480p, up 12.

Preliminary results above market estimates prompted a swift recovery in Hawker Siddeley; down to 254p immediately in front of the figures, Hawker moved ahead on them to 262p before settling at 260p for a rise of 2 on the day. Other Engineering leaders also picked up after showing a slightly easier trend for most of the day. John Brown ending unaltered at 559p, after 554p, and Tubes, a few pence cheaper at 404p, after 402p. Among secondary issues, Taylor Pallister responded to the annual results with a rise of 8 to 108p and Charles Clifford firmed 3 to 131p on the reduced second-half loss, but Braithwaite eased 2 to 85p on the company's decision to cease production at its West Bromwich works. The increased interim dividend and profits failed to benefit Adwest, 4 cheaper at 336p.

Supermarkets met support, with Hillards adding 7 to 293p, Cartiers 5 to 130p and Associated Dairies 3 to 280p. Distributors Morgan Edwards were again good, rising 5 to 118p, while J. Bibby, helped by the chairman's confidence about future trading, improved 10 for a two-day rise of 20 at 375p. In contrast, J. E. England (Wellington), reported sharply reduced profits and fell 4 to 27p.

Still overshadowed by the disappointing interim results, Glaxo cheapened further to 510p before closing 3 down at 517p. Beecham, however, rallied 8 to 695p. Elsewhere, an investment recommendation attracted buyers to Hirst and Mallinson which put on 5 to 47p, while Christies International gained 3 to 145p in response to the sharp increase in annual earnings. Kalamazoo improved 2 to 65p after trading news. Thomas Tilling added 6 at 158p but comment on the disappointing interim figures prompted a fresh fall of 6 to 234p, after 229p, in Smiths Industries. Walker and Homer reacted 2¼ to 12¼p following the poor interim results, while Lead Industries, at 151p, cheapened 3 for a similar reason. Profit-taking after the recent speculative rise left Philip Harris 6 off at 140p, while Dunbee-Combex lost 4 to 74p on nervous offerings ahead of next Tuesday's interim results.

Revived speculative demand lifted Pleasurama 7 to 129p, while Horizon Midlands continued to benefit from good Easter holiday booking and added a like amount for a two-day rise of 23 to 249p.

Following Monopolies Commission clearance, Rockwell finally launched its bid for Wilmot-Breeden which rallied 8 to match the offer price of 115p; as with earlier approaches, Wilmot has rejected the bid stating that it undervalues the company. Elsewhere, Motors attracted a good two-way trade with a predominance of buyers. Harold Perry were still in demand, rising 6 for a two-day gain of 21 at 172p, T. C. Harrison added 9 to 135p, and Godfrey Davis 5 to 119p. Lex, 102½p, and Hanger, 69p, both hardened around 4 and Plaxtons improved 9 to 160p, the last-mentioned on recovery prospects.

Oils improve

Lacklustre Newspapers were featured by News International which rose 10 to 355p following mention in a broker's circular. Printing and publishing group Ferry Pickering added 4 to 124p on the satisfactory half-timer, but profit-taking following the previous day's jump of 27 on the results left London and Provincial Poster 5 easier at 270p.

The sharp increase in first-half earnings and the accompanying reorganisation proposals helped Bellaway rise 4 to 110p after 112p. In Properties, Slough Estates found support at 170p, up 7, while the 10 per cent Convertible added 8 points to £220.

Despite a low level of activity, the Oil leaders ended the day on a firm note. Assisted by a broker's investment recommendation, British Petroleum hardened 6 to 1206p, while Shell edged up 4 to 750p. Among the more speculative issues, Burmah gained 4 to 125p ahead of next week's preliminary statement. Tricentrol became a quieter market, but improved 4 further to 226p, while Ultramar gained 10 to 316p. Premier, unaltered at 34p, were reasonably active.

Buyers were evident in the Trust sector and widespread gains of two or three pence were recorded. Among Financials, Britannia Arrow improved 1½ to 22p on the return to profitability.

Textiles traded quietly and ended close to the overnight levels. British Mohair, buoyed by the chairman's annual statement, hardened 2½ to 55p, while Homfray firmed 2 at 35p on news that a subsidiary of Sun Life holds a 6.2 per cent stake in the company. Sanderson Kayser eased a penny on the results.

Among firm Tobaccos, Imps rose 3½ to 106½p, and Bats added 6 at 316p.

Gold Fields firm

Consolidated Gold Fields provided the main feature in otherwise subdued mining markets, gaining 7 to 233p. Heavy volume in the traded option markets led to a technical situation, pushing the equity price to the higher levels. Among other London Financials, Selection Trust slippped 4 to 554p on lack of interest after their annual figures, announced on Tuesday.

The influence of the investment premium helped South African Golds to remain steady in sterling terms and the Gold Mines Index was 0.1 higher at 144.2. But the ex-premium index, reflecting a market sagging on some U.S. selling in the wake of the lower bullion price, was down 1.4 at 116.5.

Platinums were steady. Rustenburg, in front of today's announcement of sharply higher half-year profits, were 1 harder at 137p. Lydenburg, which reported a half-yearly profits increase in the late afternoon, were unchanged at 87p, while Impala gained 2 to 183p.

Turnover among Australians was low and London buying was not a major influence on prices. But the premium was again a factor in the general steadiness. Bougainville at 138p were 2 harder, but did not respond noticeably to the chairman's prediction of higher earnings on the basis of higher metal prices. Pancontinental rallied from their 1978-79 low with a gain of 25 to 725p.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	1050	156	11	231	—	246	—	1202p
BP	1100	106	5	192	19	206	—	"
BP	1150	66	38	148	—	170	—	"
BP	1200	23	5	108	—	140	—	"
Com. Union	140	33	2	41	—	46	—	171p
Com. Union	160	13	—	24	25	29	—	"
Cons. Gold	180	55	41	59	13	65	—	233p
Cons. Gold	200	35	55	44	41	50	—	"
Cons. Gold	220	15	521	30	55	38	—	"
Cons. Gold	240	2	117	18	236	27	1	"
Courtaulds	100	5	—	14	10	15	—	105p
Courtaulds	110	½	—	9	6	10½	—	"
Courtaulds	120	¼	40	4	10	6½	10	"
GEC	330	87	—	116	10	124	—	416p
GEC	360	57	5	87	—	100	—	"
GEC	390	27	12	64	—	76	—	"
GEC	420	6½	18	45	2	56	2	"
Grand Met.	120	50½	15	58½	1	59	—	170p
Grand Met.	130	40½	3	48½	5	49	2	"
Grand Met.	140	30½	30	39	42	39½	1	"
Grand Met.	160	10½	25	27	66	28	9	"
Grand Met.	180	—	—	16	153	20½	—	"
ICI	390	8	6	32	—	43	7	398p
ICI	420	½	—	15	—	25	3	"
Land Secs	260	41	4	59	—	66	—	300p
Land Secs	280	21	1	39	16	47	4	"
Land Secs	300	5	9	26½	—	36	—	"
Marks & Sp.	90	30	4	37	50	40	—	119p
Marks & Sp	100	20	20	28	13	31	1	"
Marks & Sp	110	10	96	21	21	24	6	"
Marks & Sp.	120	3½	48	16	54	19	—	"
Shell	650	100	—	157	5	177	—	749p
Shell	700	50	5	116	—	132	—	"
Shell	750	9	8	72	1	85	5	"
Shell	800	3	—	41	28	64	—	"
Totals			939		866		51	
		May		**August**		**November**		
BOC Intl.	80	2½	—	4½	—	7½	1	74p
Boots	200	34	—	41	46	47	—	228p
Boots	240	6½	45	16	—	21	—	"
EMI	120	12	—	22	5	27	—	125p
EMI	130	6	18	17	15	23	—	"
EMI	140	3½	3	10½	5	18	2	"
EMI	160	1¼	10	5	9	—	—	"
ImperialGp	100	11½	14	14	22	16	26	106p
ImperialGp	110	5	56	6	50	11½	—	"
RTZ	280	34	—	64	30	70	19	305p
RTZ	330	13	2	31	17	43	—	"
Totals			150		202		48	

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Stores	+34.94	Wines and Spirits	+16.59
Entertainment and Catering	+33.20	Contracting and Construction	+16.00
Oils	+32.61	Investment Trusts	+15.59
Food Retailing	+31.46	Packaging and Paper	+15.18
Mining Finance	+30.23	Office Equipment	+16.13
Property	+29.22	Other Groups	+14.21
Insurance (Life)	+29.20	Tobaccos	+13.73
Electronics, Radio and TV	+29.15	Food Manufacturing	+13.08
Discount Houses	+28.01	Chemicals	+12.76
Building Materials	+27.06	Metal and Metal Forming	+12.53
Breweries	+27.01	Engineering Contractors	+11.84
Banks	+25.36	Mechanical Engineering	+11.74
Merchant Banks	+25.25	Hire Purchase	+11.49
Newspapers and Publishing	+24.74	Pharmaceutical Products	+7.96
Overseas Traders	+24.67	Shipping	+7.80
Cons. Goods (Non-Durable) Group	+24.09	Motors and Distributors	+6.55
Electricals	+23.22	Insurance Brokers	+5.73
Financial Group	+21.85	Household Goods	+5.18
500-Share Index	+21.62	Miscellaneous	+4.82
All-Share Index	+21.40	Gold Mines FT	+4.71
Industrial Group	+19.42	Textiles	+1.84
Consumer Goods (Durable) Group	+18.74	Toys and Games	+0.68
Capital Goods Group	+18.74		
Insurance (Composite)	+16.72		

† Percentage changes based on Tuesday, April 10, 1979, indices.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (267)

BRITISH FUNDS (57)
CORPORATION LOANS (2)
COM'WEALTH & AFRICAN LOANS (3)
LOANS (9)
FOREIGN BONDS (1)
AMERICANS (1)
BANKS (8)
BEERS (5)
BUILDINGS (12)
CHEMICALS (2)
DRAPERY & STORES (14)
ELECTRICALS (11)
ENGINEERING (11)
FOODS (7)
HOTELS (2)
INDUSTRIALS (21)
INSURANCE (3)
LEISURE (4)
MOTORS (8)
NEWSPAPERS (1)
PAPER & PRINTING (6)
PROPERTY (12)
SHIPPING (2)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (51)
OILS (8)
OVERSEAS TRADERS (1)
RUBBERS (1)
MINES (3)

NEW LOWS (24)

AMERICANS (1)
Richardson Merrell
BANKS (3)
Deutsche Bank — HK & Shanghai
Deutsche Bank
BUILDINGS (2)
Aberthaw Cement — Brownlee
ELECTRICALS (1)
Scholes (G. H.)
ENGINEERING (3)
Braithwaite — Thyssen
Brooke Tool
INDUSTRIALS (8)
Barget — Maddox
Hutchison Whamp. — Talbex
Jardine Matheson
Hurst (Charles)
MOTORS (1)
Snia Viscosa
TEXTILES (1)
Mitdon Fund
TRUSTS (1)
Wreks Pet.
OILS (2)
Weeks Pet. Pfd. Ord.
Fuitals.
MINES (4)
Western Deep — Saint Helena
Endeavour

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
95	F.P.	—	194	150	††Appl. Computer	176	..	0.7	11.0	0.6	21.6
66	F.P.	20.2	174	68	Caledonian Hldgs.	171	−1	7.5	1.6	6.4	14.6
¶¶	F.P.	16/2	170	118	Hunting Assoc. Defd.	162	..	...	—	—	—
¶¶	F.P.	9/2	44	31	M.Y. Dart Defd.	44	−2	—	—	—	—
95**	F.P.	20.4	123	97	Sedgwick F.New10p	108	−2	†5.0	2.1	6.9	10.1

FIXED INTEREST STOCKS

Issue Price £	Am'unt Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+ or −
99¾	F.P.	—	99⅞	99⅞	Cleveland County of Var. Rate 1984	99⅞	..
¶¶	—	—	52⅝	52⅝	Eng. Assoc. Sterling Fd. Part. Red. Prf.	52⅝	..
100	F.P.	4/5	106p	103p	Grant (James) 10¾% Prof.	106p	—
96	£20	23/5	25	19½	ICFC 12½% Uns Ln 1992	24½	.....
¶	F.P.	27/7	101½	99	Lee Valley Water 8% Red. Prf. 1986	101½	.....
¶¶	—	11/5	108p	105p	Lyles (S.) 11% Cum. Prof.	107p	.....
72½	—	—	79	70½	MEPC 6½% Conv. Uns. Ln. 1995-2000	77½xd	−½
98	F.P.	14/6	101½	97½	Mid Southern Water 8% Red. Pref 1984	101½	..
¶¶	F.P.	26/4	180p	106p	Tricoville 10½% Pref.	106p	..

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979 High	1979 Low	Stock	Closing Price p:	+ or −
200c	Nil	—	—	10pm	10pm	Abercom Invs.	10pm	..
12	Nil	—	—	8½pm	4½pm	Armour Trust	8pm	−½
115	F.P.	30/3	20/4	160	147	Brammer (H.)	159	....
60	F.P.	6/3	27/4	89	66	Burco Dean	82	....
88	F.P.	30/3	27/4	117	101	Cement-Roadstone	101	−1
20	Nil	27/4	16/5	79½pm	75½pm	Crest Nicholson	76pm	+½
33	F.P.	22/3	4/5	46½	38	Hirst & Mallinson	46½	+4½
185	F.P.	23/3	18/5	235	210	Johnson Matthey	234	....
67	F.P.	7/5	20/4	109	74½	Macpherson (D.)	102	+2
5p	Nil	—	—	7pm	5pm	Maddock	5pm	....
34	Nil	24/4	12/6	25pm	17pm	Norfolk Cap. Hotels	20pm	....
44	Nil	19/4	31/5	29pm	23pm	Park Place Invs.	23pm	−1
225	F.P.	12/3	20/4	298	232	Rank Org.	288	..
59	F.P.	25/3	19/5	79	73	Redman Heenan	75	..
27	F.P.	14/3	25/4	37	33½	Sekers Intl.	33½	..
20	Nil	—	—	9½pm	7½pm	Singlo Holdings	8½pm	..
100	Nil	27/4	18/5	17pm	15pm	Unicorn Inds	17pm	+1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FINANCIAL TIMES STOCK INDICES

	April 11	April 10	April 9	April 6	April 5	April 4	A year ago
Government Secs.	75.80	75.80	75.32	75.06	74.77	74.54	72.75
Fixed Interest	77.11	76.79	76.58	76.51	76.19	76.19	76.49
Indust	538.7	535.7	531.4	525.3	532.7	523.8	460.2
Gold Mines	144.2	144.1	146.4	146.3	147.8	148.0	151.4
Gold Mines(Ex-$ pm)	116.5	117.9	118.9	120.3	120.4	[illegible]	[illegible]
Ord. Div. Yield	5.38	5.40	5.42	5.46	5.53	5.42	5.87
Earnings,Yld. % (full)	14.22	14.28	14.38	14.49	14.16	14.38	17.14
P/E Ratio (net) (*)	8.95	8.91	8.85	8.78	9.00	8.86	8.05
Dealings marked	4,493	4,834	5,024	7,192	5,466	6,275	5,180
Equity turnover £m.	—	93.62	105.51	149.58	138.74	122.68	78.17
Equity bargains total	—	16,902	21,800	27,579	30,714	32,097	14,425

10 am 535.5. 11 am 533.8. Noon 534.3. 1 pm 536.3. 2 pm 536.3. 3 pm 537.3.
Latest Index 01-246 8026.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.80 (10/4)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.11 (11/4)	66.03 (13/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord.	540.8 (29/3)	446.1 (12/2)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	183.8 (6/2)	136.2 (10/1)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	125.6 (28/3)	95.2 (12/1)	337.1 (3/4/74)	54.3 (25/6/75)

S.E. ACTIVITY

	April 11	April 10
—Daily		
Gilt Edged	[illegible]	114.3
Industrials	[illegible]	177.1
Speculative	29.7	27.2
Totals	102.6	110.0
5-d'y Av'r'ge		
Gilt Edged	102.2	104.4
Industrials	[illegible]	[illegible]
Speculative	30.6	32.7
Totals	133.3	131.1

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
BP	£1	11	1,206	+ 6	1,206	882
BAT Inds.	25p	8	316	+ 6	362	280
Barclays Bank	£1	8	480	+ 8	482	360
Cons. Gold Fields	25p	8	233	+ 7	233	178
ICI	£1	8	397	+ 2	406	346
Ladbroke	10p	8	221	—	243	167
Shell Transport	25p	8	750	+ 4	778	556
Woolworth (F.W.)	25p	8	85	+ 1	85	62
Bellway	25p	7	110	+ 4	112	73
Burton A N/V	50p	7	300	− 8	322	187
Glaxo	50p	7	517	− 3	600	462
Grand Met.	50p	7	170	+ 3	170	112
GUS A	25p	7	420	—	433	288
Imperial Group	25p	7	106½	+ 3½	108	82
Smith (W. H.) A	50p	7	174	−21	205	108

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 3	Apr. 17	Jun. 28	Jul. 10
Apr. 18	Apr. 30	Jul. 12	Jul. 24
May 1	May 14	Jul. 26	Aug. 7

For rate indications see end of Share Information Service.

Money was given for the call in UDT, London and Northern, Premier Oil, Racal, KCA, Camrex, Furness Withy, Ladbroke Warrants, New Throgmorton Warrants, Charterhall, John Michael, Wankie Colliery, Woolworths, Tricentrol, Coral Leisure, Talbex, Kunick, Christopher Moran, EMI, Peko Wallsend, Spillers, Britannia Arrow, Morris and Blakey A, Sound Diffusion, and Hirst and Mallinson. Puts were completed in Ladbroke and United City Merchants, while doubles were completed in Ladies Pride and Premier Oil.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	16	3	63
Corpns., Dom. and Foreign Bonds	28	—	38
Industrials	408	231	876
Financial and Prop.	221	47	241
Oils	12	6	20
Plantation	5	9	18
Mines	52	20	68
Recent Issues	6	6	24
Totals	748	322	1,348

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., April 11, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tues., April 10 Index No.	Mon., April 9 Index No.	Fri., April 6 Index No.	Thurs., April 5 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	272.66	—	15.11	5.03	8.95	272.55	270.32	267.47	270.15	200.64
2	Building Materials (27)	258.09	−0.1	14.99	5.20	9.11	258.31	255.49	251.20	253.25	182.48
3	Contracting, Construction (28)	414.51	−0.2	19.15	4.98	7.27	415.22	412.27	409.78	413.42	312.36
4	Electricals (14)	662.31	+0.1	11.78	2.89	11.62	661.37	656.13	645.31	650.80	417.49
5	Engineering Contractors (12)	393.78	−0.1	17.18	5.76	7.87	394.21	392.38	388.62	395.28	289.77
6	Mechanical Engineering (75)	202.73	+0.1	16.51	5.67	8.04	202.57	201.51	200.25	203.08	161.14
8	Metals and Metal Forming (16)	179.54	+0.1	16.41	8.46	8.08	179.31	176.76	176.97	177.75	163.04
11	CONSUMER GOODS (DURABLE) (53)	248.58	+1.1	14.35	4.36	9.26	245.97	243.01	239.71	242.79	185.61
12	Lt. Electronics, Radio, TV (16)	339.56	+1.3	11.16	3.12	12.67	335.28	329.98	324.79	328.25	217.80
13	Household Goods (12)	174.63	+0.7	16.96	6.28	8.14	173.35	172.01	170.19	171.31	168.90
14	Motors and Distributors (25)	126.65	+0.7	20.83	6.68	5.91	125.82	125.24	124.83	126.38	117.67
21	CONSUMER GOODS (NON-DURABLE) (170)	256.51	+0.7	13.94	5.12	9.34	254.80	253.09	249.78	253.26	194.56
22	Breweries (14)	294.04	+0.8	12.96	5.11	9.79	291.56	289.00	284.97	286.74	221.27
23	Wines and Spirits (6)	333.00	+1.1	14.06	4.49	10.38	329.35	334.19	332.91	338.80	248.19
24	Entertainment, Catering (17)	359.08	+0.9	13.00	5.33	10.24	356.05	351.05	343.27	349.76	248.22
25	Food Manufacturing (19)	225.64	−0.1	17.33	5.00	7.40	225.77	225.42	224.27	225.74	188.14
26	Food Retailing (15)	300.95	+0.6	10.71	3.92	12.69	299.22	293.55	290.04	293.48	190.66
32	Newspapers, Publishing (12)	461.80	+0.6	19.70	5.55	7.20	458.89	458.05	457.39	461.93	336.87
33	Packaging and Paper (15)	150.25	−0.2	17.19	7.26	7.52	150.58	148.53	145.93	147.93	126.03
34	Stores (40)	257.70	+0.6	9.80	3.75	14.34	256.07	254.06	249.31	252.58	181.78
35	Textiles (23)	178.87	−0.4	18.25	8.51	7.09	179.61	179.18	177.79	182.26	171.71
36	Tobaccos (3)	273.86	+2.4	20.79	7.52	5.53	267.37	266.79	265.23	272.24	230.25
37	Toys and Games (6)	95.11	−1.5	23.33	6.91	5.05	96.54	95.08	92.65	92.82	98.50
41	OTHER GROUPS (99)	222.34	+0.5	14.42	5.74	8.61	221.33	220.81	220.32	224.01	183.01
42	Chemicals (18)	311.96	+0.5	16.13	6.29	7.25	310.38	309.18	307.96	312.38	249.17
43	Pharmaceutical Products (7)	263.19	+0.4	10.26	4.50	11.99	262.04	265.37	267.91	273.43	242.44
44	Office Equipment (6)	148.02	−0.1	13.65	5.51	9.23	148.19	147.65	146.03	149.69	126.58
45	Shipping (10)	437.75	—	13.82	6.95	9.18	437.87	436.76	435.88	440.54	419.82
46	Miscellaneous (58)	252.98	+0.6	15.43	5.77	8.55	251.41	249.14	247.78	251.73	193.44
49	INDUSTRIAL GROUP (494)	259.47	+0.5	14.38	5.19	9.06	258.20	256.54	253.99	257.42	199.07
51	Oils (6)	673.09	+0.5	11.72	3.23	9.07	669.58	670.68	666.06	669.79	438.93
59	500 SHARE INDEX	293.19	+0.5	13.93	4.85	9.06	291.75	290.27	287.53	291.03	219.22
61	FINANCIAL GROUP (115)	206.83	+1.1	—	4.96	—	204.57	203.53	201.57	204.78	160.84
62	Banks (6)	248.08	+1.3	26.94	4.88	4.82	244.88	243.17	241.01	244.62	191.49
63	Discount Houses (10)	268.63	−0.7	—	6.88	—	270.54	268.11	265.55	264.26	198.99
64	Hire Purchase (5)	187.73	+2.9	17.08	4.70	7.52	182.43	182.52	182.71	188.39	148.37
65	Insurance (Life) (10)	173.70	+1.0	—	6.12	—	171.94	168.07	163.85	167.85	130.77
66	Insurance (Composite) (8)	146.03	+2.1	—	6.38	—	142.99	142.17	140.72	143.14	124.62
67	Insurance Brokers (10)	324.47	—	15.28	5.87	9.41	324.44	337.32	338.90	347.19	327.55
68	Merchant Banks (14)	96.67	−0.1	—	5.40	—	96.77	95.62	94.32	94.56	75.82
69	Property (42)	347.62	+0.6	3.16	2.35	50.21	345.60	343.15	339.85	345.57	217.48
70	Miscellaneous (10)	124.50	—	18.15	6.44	6.86	124.51	124.09	124.03	123.90	105.96
71	Investment Trusts (111)	236.12	+0.7	—	4.66	—	234.42	231.46	229.99	230.20	191.19
81	Mining Finance (4)	132.30	+0.3	14.21	5.45	8.67	131.87	130.66	128.95	129.80	90.37
91	Overseas Traders (20)	367.81	+0.8	13.66	6.85	9.31	364.88	365.67	365.61	372.43	280.32
99	ALL-SHARE INDEX (750)	269.00	+0.6	—	4.92	—	267.35	265.90	263.47	266.68	203.16

FIXED INTEREST PRICE INDICES

	British Government	Wed., April 11	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	108.24	+0.11	0.02	2.52
2	5-15 years	124.75	—	—	1.58
3	Over 15 years	130.01	+0.73	0.95	4.12
4	Irredeemables	142.88	—	—	1.78
5	All stocks	119.92	+0.32	0.35	2.88

	FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.		Wed., April 11	Tues., April 10	Year ago (approx.)
1	Low Coupons	5 years	9.88	9.92	8.15
2		15 years	9.97	9.90	10.50
3		25 years	10.60	10.58	11.01
4	Medium Coupons	5 years	10.59	10.58	10.21
5		15 years	11.28	11.33	11.68
6		25 years	11.53	11.55	11.99
7	High Coupons	5 years	11.06	11.06	10.72
8		15 years	11.66	11.76	12.32
9		25 years	11.88	11.90	12.55
10	Irredeemables		10.40	10.40	10.76

		Wed., April 11 Index No.	Wed., April 11 Yield %	Tues. April 10	Mon. April 9	Fri. April 6	Thurs. April 5	Wed. April 4	Tues. April 3	Mon. April 2	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	59.81	†12.42	59.78	59.61	59.38	59.18	59.28	59.14	58.85	60.07
16	Investment Trust Prefs. (15)	52.10	13.48	51.32	51.36	51.28	51.46	51.46	51.64	51.64	56.14
17	Coml. and Indl. Prefs. (20)	73.26	12.69	73.05	73.05	72.79	72.79	72.22	72.72	72.46	73.01

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tst.	111.1	116.9	+0.8	3.02
Abbey Capital	39.8	42.9	+0.1	4.04
Abbey Income	46.9	49.9	+0.1	6.14
Abbey Inv. Tst. Fd.	40.2	42.8	+0.4	4.49
Abbey Gen. Tst.	54.1	57.6	+0.1	4.05
Equitas Prog. Tst.	73.9	78.0	+0.4	4.33

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt & Pref.	98.1	103.0	.....	12.50

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	78.3	83.8	+0.2	4.96
Brit. Indt. Fund	77.2	82.8	+0.2	4.84
Grth. & Inc.	43.7	46.8	+0.3	4.70
Elect. & Ind. Dev.	41.1	44.0	+0.1	4.23
Allied Capital	81.6	87.3	+0.6	4.15
Hambro Fund	127.5	136.4	+0.6	4.75
Hambro Acc. Fd.	146.5	156.8	+0.6	4.18
Income Funds				
High Yield Fd.	81.0	86.7	+0.7	7.50
High Income	75.1	80.4	+0.1	7.82
A. H. Eq. Inc.	44.8	47.9	+0.2	6.48
International Funds				
International	25.9	27.7	+0.1	2.90
Pacific Fund	38.6	41.3	+0.4	2.15
Secs. Of America	55.3	59.2	+0.4	1.96
Specialist Funds				
Smaller Co.'s Fd.	47.6	50.9	+0.3	3.73
2nd Smlr. Co's Fd.	58.3	62.4	+0.5	4.01
Recovery Sits.	114.6	122.6	.....	4.89
Met. Min. & C'dty.	48.2	51.6	+0.3	4.44
Overseas Earnings	66.6	71.3	.....	4.07
Exempt Funds				
Far East Exempt	44.9	46.7	+0.4	2.14
Smaller Co. Exempt	74.6	78.3	+0.5	4.15
U.S.A. Exempt	97.4	101.3	+0.8	2.17

Anderson Unit Trust Managers Ltd.

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	51.6	55.1	+0.4	4.36
Do. Accum.	67.9	72.6	+0.4	4.36

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital March 29	114.7	117.0	.....	4.27
Gross Income Mar. 29	84.8	87.5	.....	8.23
High Yield March 29	96.4	98.9	.....	8.00

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	106.4	113.1	.....	2.70
Do. Acc.	130.5	138.8	.....	2.70
G.T. Inc. Fd. Un.	179.8	191.2	.....	8.30
G.T. U.S. & Gen.	127.9	136.0	.....	3.10
G.T. Japan & Gen.	81.2	86.3	.....	2.10
♦Gt. Pens. Ex. Fd.	207.1	217.4	.....	2.90
G.T. Int'l. Fund	151.7	161.3	−2.4	1.70
G.T. Four Yds. Fd.	61.7	65.6	.....	7.80
G.T. Far East & Gen.	45.1	48.4	.....	2.10

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	39.1	41.8	+0.1	4.40

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BPJ 01-283 3531
Dealing only: 01-623 5766/5806

American Tst.	24.8	26.7	+0.5	0.49
British Tst. (Acc.)	65.6	70.5	−0.2	3.45
Commodity Share	177.8	191.2	+0.8	3.47
Extra Income Tst.	27.6	29.7	+0.1	7.62
Far East Trust	33.2	35.7	.....	0.24
High Income Tst.	66.5	71.5	+0.2	8.40
Income Fund	86.3	92.8	.....	6.14
Ins. Agencies	£15.62	16.54	+0.07	3.75
Intl. Exempt Fd.	100.9	110.0	+1.2	6.12
Intl. Tst. (Acc.)	31.7	34.1	+0.2	0.77

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4. 01-623 1050

Minster April 9	41.8	43.8	.....	5.76
Exempt Feb. 28	104.9	108.9	.....	5.14

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-930 7333

MLA Units	56.8	59.7	.....	3.18

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	74.0	78.0	.....	4.17

Dealing Day April 20.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	58.2	61.7	−0.5	5.96
Mutual Inc. Tst.	81.0	86.3	+0.5	6.70
Mutual Blue Chip	50.0	53.9	+0.3	6.05
Mutual High Yld.	63.1	67.7	+0.1	7.98

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 9151

Income March 28	176.6	183.2	+7.0	5.42
(Accum. Units)	245.8	255.0	+1.2	5.42
Capt. April 11	148.2	153.6	+0.8	3.04
(Accum. Units)	182.4	189.2	+1.0	3.04

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst.	56.7	60.4	.....	4.45
(Accum. Units)*	70.5	75.1	.....	4.45
NPI O'seas. Trust	131.7	139.4	.....	2.25
(Accum. Units)**	142.6	151.0	.....	2.25

**Prices on Feb. 29. Next dealing April 26.
*Prices on April 11. Next dealing April 25.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060

Capital (Accum.)	75.5	81.1	+0.6	3.57
Extra Inc.	73.7	79.2	+0.5	7.61
Financial	37.8	40.6	+0.2	4.77
Growth Inv.	96.6	103.8	+0.8	4.39
Income	38.9	41.8	+0.1	6.65
Portfolio Inv. Fd.	80.3	84.0	+0.3	5.29
Universal Fd.(d)	49.7	53.4	+0.7	2.66

NEL Trust Managers Ltd.♥ (a)(g)

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, EC2. 01-247 6533

Prolific Units	93.7	100.4	+0.7	3.15
High Income	145.2	155.6	+0.2	6.55

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	150.5	160.0	−0.5	4.35

Quilter Management Co. Ltd.♥
The Stock Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	128.6	134.0	.....	3.62
Quadrant Income	147.8	152.4	.....	7.34

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	73.1	78.7	.....	5.54
Sekforde T. (Acc.)	48.1	51.4	.....	5.24
Sekforde T. Inc.	45.2	48.3	.....	5.24

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Ridgefield Int. UT	85.0	92.0	.....	2.66
Ridgefield Income	99.0	106.0	.....	8.68

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N.C. Equity Fund	189.5	201.5	.....	3.48
N.C. Engy. Res. Tst.	116.8	124.2	+1.1	2.38
N.C. Income Fund	169.5	180.3	−0.3	6.85
N.C. Intl. Fd. (Inc.)	81.7	86.9	+1.0	2.11
N.C. Intl. Fd. (Acc.)	82.7	87.9	+0.9	2.11
N.C. Smllr Coys Fd.	195.8	208.4	+1.6	3.77

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American April 5	66.0	69.5	.....	1.03
Securities April 10	205.0	216.0	.....	3.96
High Yield April 6	59.5	62.5	.....	8.00
(Accum. Units)	87.0	91.4	.....	8.00
Merlin April 4	91.8	96.7	+1.5	3.85
(Accum. Units)	115.5	121.6	+1.8	3.85

Royal Tst. Can. Fd. Mgrs. Ltd.
54, Jermyn Street, S.W.1. 01-629 8252

Capital Fd.	75.5	79.7	.....	3.26
Income Fd.	76.6	80.8	.....	6.95

Prices at March 30. Next dealing April 12.

Save & Prosper Group♥
4, Great St. Helens, London EC3P 3EP

Schlesinger Trust Mngrs. Ltd. (a) (z)
140, South Street, Dorking. (0306) 86441

Am. Exempt	22.6	23.6	+0.2	4.50
Am. Growth	27.7	29.9	+0.2	3.04
Am. Smaller Cos.	30.6	32.9	−0.3	—
Exempt High Yld.	30.7	32.3	+0.5	7.41
Exempt Mkt. Ldrs.	31.8	33.5	+0.2	3.74
Extra Inc. Tst.	32.4	35.2	−0.3	8.80
Income Dist.	45.3	49.2	+0.7	8.87
Inc. 10% Wdrwl.	33.4	37.4	−0.2	—
Inv. Tst. Units	29.1	31.3	−0.3	5.03
Intl. Growth	49.7	53.4	+0.2	3.45
Market Leaders	35.8	38.9	−0.1	3.91
Nil Yield	31.3	33.8	−0.1	—
Pref. & Gilt Trust	23.2	25.0	.....	12.34
Property Shares	38.5	41.8	+0.2	1.58
Special Sit. Tst.	39.8	42.8	+0.1	1.73
U.K. Grth. Accum.	27.4	29.6	.....	4.54
U.K. Grth. Dist.	23.6	25.4	.....	4.54

J. Henry Schroder Wagg & Co. Ltd.♥
120, Cheapside, E.C.2. 01-240 3434

Capital April 10	117.4	121.8	.....	2.71
(Accum. Units)	143.4	148.8	.....	2.71
Income April 10	219.1	227.0	.....	6.87
(Accum. Units)	334.8	346.9	.....	6.87
General April 4	102.3	106.5	+1.1	3.77
(Accum. Units)	129.3	134.6	+1.3	3.77
Europe April 5	30.4	32.3	.....	3.31
(Accum. Units)	34.2	36.3	.....	3.31
*Pn&ChaFd March 20.	196.4	202.4	.....	4.12
*Recovery April 3	243.3	250.8	.....	4.06
*Spec. Ex. April 3	315.6	325.3	.....	3.50

*For tax exempt funds only

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	57.5	61.2	.....	4.70
Accum. Units	68.0	72.4	.....	4.70

Dealing day Wednesday.

Sebag Unit Tst. Managers Ltd.♥ (a)
PO Box 511, Bcklbry. Hse., E.C.4. 01-236 5000

Sebag Capital Fd.	41.5	43.5	−0.1	3.15
Sebag Income Fd.	34.2	35.8	−0.2	7.81

Security Selection Ltd.
15-19 Lincoln's Inn Fields, WC2. 01-831 6936/9

Unvl Gth Tst Acc	25.6	27.3	.....	4.52
Unvl Gth Tst Inc	21.8	23.2	.....	4.52

Target Tst. Mgrs. (Scotland) (a) (b)
19, Athol Crescent, Edin. 3. 031-229 8621.2

Target Amer. Eagle	26.2	28.2	+0.2	2.98
Target Thistle	46.8	50.3	+0.2	5.68
Extra Income Fd.	63.5	68.4	+0.1	9.98

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT March April 2	57.8	61.5	.....	4.77

Transatlantic and Gen. Secs. Co.♥
91-99 New London Rd. Chelmsford 0245 51651

Barbican April 5	86.7	92.2	.....	5.56
(Accum. Units)	136.4	145.0	.....	5.56
♦Barb. Expt. Mar. 28	82.2	86.5	.....	5.48
Buckm. April 5	92.3	97.5	.....	3.91
(Accum. Units)	116.3	122.8	.....	3.91
Colemco April 6	143.9	151.9	.....	5.56
(Accum. Units)	180.6	190.7	.....	5.56
Cumbl. April 11	61.7	65.9	+0.3	6.38
(Accum. Units)	69.1	73.9	+0.5	6.38
Glen April 10	58.3	62.0	.....	4.47
(Accum. Units)	76.0	80.7	.....	4.47
Marlboro April 10	55.6	58.4	.....	2.73
(Accum. Units)	64.9	68.0	.....	2.73
Van. Grwt. April 10	55.6	58.5	.....	2.81
(Accum. Units)	69.8	73.5	.....	2.81
Van Hy April 10	79.1	83.3	.....	8.10
Vang. T'ee April 11	50.4	53.1	+0.3	6.08
(Accum. Units)	53.7	56.6	+0.3	6.08
Wickmr. April 5	71.1	75.2	.....	4.36
(Accum. Units)	87.2	92.2	.....	4.36
Wick-Div. April 6	76.0	81.0	.....	7.80
Do. Accum.	89.3	95.0	.....	7.80

Tyndall Managers Ltd.♥
18, Canynge Road, Bristol. 0272 32241

Income April 11	107.8	113.2	+1.2	8.30
(Accum. Units)	205.0	215.4	+2.4	8.30
Capital April 11	145.2	152.6	−0.2	4.38
(Accum. Units)	208.4	219.0	−0.2	4.38
Exempt April 11	124.6	131.0	+0.8	7.78
(Accum. Units)	181.2	190.4	+1.0	7.78
Int. Earns April 11	280.2	294.4	+0.4	4.76
(Accum. Units)	322.2	338.4	+0.2	4.76
Pref. April 11	106.6	113.0	+0.2	13.34
(Accum. Units)	140.2	148.8	+0.4	13.34

24, Castle St., Edinburgh. 031 225 1168

Scot. Inc. April 11	176.4	187.0	+1.0	8.85
Scot. Cap. April 11	155.4	164.8	−0.2	5.21
(Accum. Units)	188.2	199.6	−0.4	5.21

London Wall Group 0272 32241

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$7.42	+0.04	—

Net asset value April 11.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg. Fd.	£12.22	12.24	.....	11.21

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	124	128	.....	—

Next dealing date April 18.

Gov't Secs. Tst.	96.50	100.00	.....	12.50

Next dealing April 17.

East & Intl. Tst. (CI)	99	106	.....	3.54

Next dealing date April 19.

Australian Selection Fund NV.
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares	$US1.48	.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	$US112.49	113.07	.....	8.18

Prices at April 5. Next sub. day April 11.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund LF	1,936	1,996	−1	8.03

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	91.8	96.7	.....	3.00

Barclays Unicorn Int. (Ch. Is.) Ltd
1, Charing Cross, St. Helier, Jsy. 0534 73741

Overseas Income	48.9	51.4	.....	11.60
Unidollar Trust	US$11.88	12.51	+0.46	1.60
Unibond Trust	$US104.75	105.64	.....	8.60

Barclays Unicorn Int. (I.o.Man)
1 Thomas St., Douglas, I.o.M. 0624 4856

Unicorn Aust. Ext.	45.6	49.0	.....	1.80

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr.1,374	1,509	.....	2.30
Bondselex	Fr120.30	126.45	+0.60	—
Cent. Assets Cap	£144.30	144.38	+0.04	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Gnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	10.09	10.14	.....	11.25
Gilt Trust (I.o.M.)	115.5	118.7	.....	11.25
Gilt Fnd. Guernsey	10.53	10.58	+0.33	11.25
Intl. Govt. Secs. Tst.				
First Sterling	£21.03	21.16	.....	—
First Intl.	$US224.79	225.74	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest. Lux. F.	1,103		.....	4.35
Guernsey Inc.	71.3	75.7	.....	2.94
Do. Accum.	89.4	94.9	.....	2.94
KB Far East Fd.	$US13.15		.....	1.52
KB Gilt Fund	£11.60	11.67	.....	10.55
KB Intl. Fund	$US12.65		.....	1.81
KB Japan Fund	$US33.89		.....	0.74
K.B. U.S. Gwth. Fd.	US$13.24		.....	1.51
Signet Bermuda	$US5.28		.....	1.70
K. B. Int. Bd. Fd.	$US104.05		.....	—

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas.	56.2	59.2	.....	1.62

Next dealing April 17.

Lloyds Trust Gilt	£10.55	10.56	.....	12.00

Next dealing April 18.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF336.50	359.50	+5.50	1.20
Lloyds Int. Income	SF296.00	306.50	+2.00	5.20

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic April 10	US$3.22	3.52	.....	—
Aus. Ex. April 11	$US2.38	2.73	+0.02	—
Gold Ex. Acc.	$US12.62	13.95	+0.06	—
Island	147.3	156.5	+0.3	13.55

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$318.08	+12.94	2.40
Jardine J'pn. Fd.*	HK$408.50	.....	0.90
Jardine S.E.A.	$US16.89	.....	2.10
Jardine Flem. Int.	HK$12.86	.....	—
Intl. Pac. Secs. (Inc.)	HK$13.76	.....	—
Do. (Accum.)	HK$13.96	.....	—

NAV March 30. *Equivalent US$81.88. Next sub. day April 12.

TMT March 8	$US10.59	10.87	.....	1.0[illegible]
T.M.T. Ltd. April 10	£10.93	11.21	.....	2.9[illegible]

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	US$17.10	−0.03	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	58.6	59.1	.....	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey gross. ⊕ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1979 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
97¼	94⅝	Treasury 3pc '79‡‡	97¼	......	3.08	9.56
97⅝	95⅜	Electric 4¼pc '74-79	97½	......	9.14	9.90
100¼	54⅝	Treasury 10½pc '79‡‡	100¼xd	......	10.47	10.00
96⅝	94½	Electric 3½pc '76-79	96⅝xd	......	3.62	9.50
99⅜	95⅞	Treasury 9pc 1980‡‡	99	+	9.06	9.75
99⅜	95	Treasury 9½pc '80‡‡	99⅜xd	......	9.56	10.14
95½	92¼	Treasury 3½pc '77-80	95½	......	3.66	7.56
95¾	92⅞	Funding 5¼pc '78-80‡‡	95¾	......	5.48	9.12
103½	99	Exchequer 13pc 1980‡‡	103	–	12.60	10.77
102⅛	96	Treasury 11½pc 1981‡‡	101	......	11.35	10.62
93	88⅞	Treasury 3½pc 1979-81	93	......	3.76	7.62
99	13⅝	Treasury 9¾pc 1981‡‡	99	+	9.82	10.12
96	89½	Exch. 8¼pc 1981	96	+	8.57	10.17
98	91¼	Exch. 9½pc 1981	98	+	9.66	10.33
91⅛	84¼	Exch. 3pc 1981	91⅛	+	3.29	7.15
98	96	Treas. Variable '81‡‡	97¾xd	+	12.28	12.78
104½	97	Exch. 12¾pc 1981‡‡	104¼	–	12.23	10.82
96⅞	88	Treas. 8½pc '80-82‡‡	96½	......	8.81	9.96
89	82	Treasury 3pc '82‡‡	89	+¼	3.37	7.35
108⅜	100⅜	Treasury 14pc '82‡‡	108	......	12.94	10.64
96	94⅞	Treas. Variable '82‡‡	96⅛	+⅜	12.12	13.14
95¼	85⅝	Treasury 8¼pc '82	95¼	+¼	8.66	10.00
97¼	86½	Exch. 9¼pc 1982	97¼	+⅜	9.51	10.20
95¾	84⅝	Exch. 8¾pc 1983	95¾	+¼	9.14	10.12
85½	78¼	Exch 3pc '83	85½	+½	3.51	7.38
104⅜	93⅛	Treasury 12pc 1983‡‡	104⅜	+⅛	11.50	10.59
104	93⅛	Treas. 12pc '83 A‡‡	103	–	11.54	10.71
94	93½	Treas. Variable '83‡‡	93¾	+	12.43	13.68
96½	84½	Treasury 9¼pc '83	96½	+⅛	9.59	10.28
97	85½	Exch. 10pc 1983	97	+⅛	10.24	10.62

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1979 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
23	22	Antofagasta Rly.	22	....	—	—
40	39	Do. 5pc Pref.	40	....	—	—
98	98	Chilean Mixed	98	....	—	f3.10

BONDS & RAILS—Cont.

1979 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
31	18	Chinese 4½pc 1898	30	....	—	—
35	27	Do. 5pc 1912	30	....	—	—
20	14½	Do. 5pc 1925 Boxer	14½	......	—	—
430	415	German Yng. 4½pc.	430	......	4½	—
52	47	Greek 7pc Ass.	47	......	3½	f7.68
51	46	Do 6pc 28 Stab. Ass.	46	......	6	f6.59
42	40	Do 4pc Mixed Ass.	40	......	4	f5.19
45	42	Hung. '24 Ass	43	......	—	11.89
68	68	Iceland 6½pc '83-88	68	......	—	13.05
90½	78½	Ireland 7½pc '81-83.	88¾	......	7½	11.47
84½	69	Do 9¾pc '91-96	84½	+½	9¾	12.01
390	310	Japan 4pc '10 Ass	310	......	—	—
69	65	Do 6pc '83-88	69	......	6	11.70
160	135	Peru Ass. 3pc	160	......	3	1.87
75p	75p	S.G.I. 6½pc 1980	75p	......	6½	8.67
$94½	$94½	Turin 9pc 1991	$94½	......	9	9.53
DM91	DM91	Turin 6½pc 1984.	DM91	......	6½	8.45
97	95	Uruguay 3½pc	97	......	3½	3.00

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

1979 High	Low	Stock	£	+ or –	Div. Gross	C'vr	Y'ld Gr's
20¼	14⅜	ASA	14½	+⅛	$1.00	—	3.5
59	59	AMF 5% Conv. '87	59	......	5%	—	f4.8
39¼	31¼	Amax $1	31⅝	+⅜	$2.70	—	4.4
23½	17¾	American Express	17¾xd	......	$1.80	—	5.1
24½	16	Amer. Medic. Int.	16⅜xd	+¼	60c	—	185.0
14⅝	946p	Asarco Inc.	11⅝	......	40c	—	1.8

S.E. List Premium 23⅛% (based on US$2.0948 per £)
Conversion factor 0.8079 (0.8184)

CANADIANS

S.E. List Premium 23⅛% (based on 2.4039 per £)

BANKS AND HIRE PURCHASE

1979 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
235	178	Gerrard Natnl.	232	–3	g9.12	—	5.9	—
62	45	Gibbs (A.)	51	......	2.23	—	6.5	—
267	217	Gillett Bros. £1.	267	......	16.95	—	9.5	—
29	19	Goode D't Mry. 5p	29	+½	0.25	—	1.3	—
146	116	Grindlays	140	+1	3.07	7.5	3.3	4.3
120	98	Guinness Peat	109	–3	H5.67	—	7.8	—
276	173	Hambros	275	–1	†9.76	—	5.3	—
106	78	Hill Samuel	101	......	†4.97	—	7.4	—
270	40	Do. Warrants	200	......	—	—	—	—

BANKS & HP—Continued

Hire Purchase, etc.

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MINES—Continued

AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
14	11	Acmex	11	......	—	—	—
171	129	Bougainville 50 Toea	136	+2	Q15c	1.0	6.8
140	95	BH South 50c	95	−1	—	—	—
540	340	Central Pacific	500	......	—	—	—
318	238	Conzinc Riotinto 50c.	245	+1	§Q10c	2.0	2.5
36	26	Cultus Pacific N.L.	27	+1	—	—	—
21½	15	Endeavour 20c	15	−½	—	—	—
98	62	G.M. Kalgoorlie $1	66	−1	—	—	—
42	29	Haoma Gold N.L.	30	......	—	—	—
170	148	Hampin Areas 5p.	166	......	♦3.55	2.0	3.2
56	25	Metals Ex. 50c	52½	+4½	—	—	—
275	197	M.I.M. Hldgs. 50c	215	+1	†Q9c	1.7	2.4
15	15	Minefields Expl.	15	......	—	—	—
74	38	Mount Lyell 25c	57	+2	—	—	—
44	18	Newmetal 20c	20	......	—	—	—
141	104	North B. Hill50c	108	......	†Q8c	1.3	4.3
22	11	Nth. Kalgurli	14	......	—	—	—
40	26	Nth. West Mining	27	......	—	—	—
137	90	Oakbridge $A1	93	+1	Q12c	1.9	7.5
37	22	Otimin N. L.	30	+3	—	—	—
120	58	Pacific Copper	90	+2	—	—	—
£10¼	700	Pancont'l 25c	725	+25	—	—	—
25¾	17½	Paringa M&Ex.5p	19	......	—	—	—
510	345	Peko-Wallsend 50c.	345	......	Q15c	3.3	2.5
215	145	Southern Pacific	200	......	—	—	—
188	139	Westn. Mining 50c.	160	+1	†Q3c	0.7	1.1
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c.	50	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
30	23	Amal. Nigeria	29	......	2.81	1.3	14.4
435	325	Ayer Hitam $M1	325	......	Q300c	0.5	19.8
72	51	Beralt Tin	69	−1	4.0	♦	8.7
270	200	Berjuntai $M1	205	......	†Q110c	1.0	12.9
160	145	Geevor	160	......	H5.57	5.8	5.2
10	8	Gold & Base 12½p	9½	......	—	—	—
365	295	Gopeng Cons.	365	+5	18.0	1.4	7.4
355	295	Hongkong	355	......	12.5	2.8	5.3
70	64	Idris 10p	68	......	‡12.0	1.6	‡
14	9½	Jantar 12½p	14	......	—	—	—
80	66	Kamunting $M0.50	60	......	†Q12.5c	2.1	3.4
620	210	Killinghall $M1	335	......	—	—	—
465	365	Malay Dredging $M1	395	......	†175c	0.7	9.5
57	42	▲Pahang	44	......	—	—	—
85	60	Pengkalen 10p	80	......	4.5	1.2	8.4
240	205	Petaling $M1	210	+5	Q120c	1.3	12.3
85	73	Saint Piran	76	−1	†2.03	6.5	4.0
58	53	South Crofty 10p	57	......	†4.19	2.0	11.0
210	170	South Kinta $M0.50	185	......	†§Q145c	0.6	16.8
405	285	Sthn Malayan $M1	345	......	†Q190c	1.0	11.8
285	210	Sungei Besi $M1	260	......	mQ65c	5.3	5.4
75	52	Supreme Corp. $M1	53	......	ZQ10c	—	4.1
105	94	Tanjong 15p	100	......	6.60	0.8	9.8
265	205	Tronoh $M1	240	......	‡Q88c	1.6	‡

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
104	56	Messina R0.50	99	−1	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
74	54	Barymin	67	......	—	—	—
15½	11	Burma Mines 17½p	11	......	—	—	—
345	170	Cons. Murch. 10c.	250	......	—	—	—
410	340	Northgate C$1	380	......	—	—	—
322	226	R.T.Z.	304	−1	9.5	2.8	4.7
65	40	Sabina Inds. C$1	42	−2	—	—	—
880	725	Tara Expln. $1	725	......	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1979 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
$13⅜	$10½	Buffels R1	$13⅛	......	Q190c	♦	16.6
$11¼	890c	East Drie R1	$10⅝	−⅛	Q115c	1.6	12.5
470c	350c	East Rand Prp. R1	455c	......	Q10c	—	2.6
$24¼	$18¼	F.S. Geduld 50c	$23½	......	Q315c	2.4	15.4
$14¾	$11⅛	Pres. Brand 50c	$14⅛	......	Q150c	3.2	12.2
$14¼	$10¼	St. Helena R1	$12⅛	−¼	Q190c	1.4	18.0
595c	407c	Stilfontein 50c	560c	+5	Q66c	♦	13.6
$24¼	$18¾	Vaal Reefs 50c	$23¾	......	Q280c	2.7	13.8
$35¼	$28¼	West Drie R1	$32¼	−⅛	†Q385c	1.7	13.5
$29½	$22¼	West Hldgs. 50c	$28¾	−⅛	Q415c	1.4	16.6
$13	$10½	Western Deep R2	$11½	−¼	Q147½c	2.1	14.7

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✠ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27½	......
Ash Spinning	107	......
Bertam	28	......
Bdg'wtr. Est. 50p	400	......
Clover Croft	28	......
Craig & Rose £1	£18¾	+¾
Dyson (R. A.) A	35	......
Ellis & McHdy	70	......
Evered	27½	......
Fife Forge	54	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	175	......
Higsons Brew	87	......
Holt (Jos) 25p	269	......
I.O.M. Stm. £1	170	......
Pearce (C. H.)	210	+7
Peel Mills	30	......
Sheff. Refrshmt	81	......
Sindall (Wm.)	138	......

IRISH

Conv. 9% '80/82	£91¾	+¼
Alliance Gas	103	......
Arnott	380	......
Carroll (P.J.)	105	+2
Clondalkin	65xd	−¼
Concrete Prods.	93	......
Heiton (Hldgs.)	62	+2
Ins. Corp.	220	......
Irish Ropes	110	......
Jacob	40	+3
T.M.G.	235xd	−5
Unidare	85	......

OPTIONS

3-month Call Rates

Industrials	
A. Brew	7
BOC Intl.	6
B.S.R.	8
Babcock	14
Barclays Bank	32
Beecham	52
Blue Circle	16
Boots	18
Bowaters	18
B.A.T.	28
Brown (J.)	50
Burton 'A'	22
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	21
Dunlop	6½
Eagle Star	10
E.M.I.	14
Gen. Accident	21
Gen. Electric	32
Glaxo	50
Grand Met.	12
G.U.S. 'A'	30
Guardian	24
G.K.N.	24
Hawker Sidd	22
House of Fraser	15
I.C.I.	20
"Imps"	9
I.C.L.	40
Inveresk	7
KCA	4
Ladbroke	18
Legal & Gen.	14
Lex Service	9
Lloyds Bank	25
"Lofs"	5
London Brick	7
Lonrho	9
Lucas Inds.	25
"Mams"	18
Mrks. & Spncr	9
Midland Bank	30
N.E.I.	14
Nat. West. Bank	28
Do. Warrants	15
P & O Dfd.	8
Plessey	10
R.H.M.	5
Rank Org.	25
Reed Intnl.	16
Spillers	5½
Tesco	6
Thorn	22
Trust Houses	27
Tube Invest.	30
Unilever	55
U.D.T.	4
Utd. Drapery	10
Vickers	17
Woolworths	6½
Property	
Brit. Land	5
Cap. Counties	7
E.P.	3½
Intreuropean	5
Land Secs.	20
MEPC	15
Peachey	13
Samuel Props.	14
Town & City	2
Oils	
Brit. Petroleum	70
Burmah Oil	11
Charterhall	3½
Shell	48
Ultramar	24
Mines	
Charter Cons.	16
Cons. Gold	17
Rio T. Zinc	27

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday April 12 1979

Anti-Amin troops mop up in Kampala

BY MARK WEBSTER IN DAR ES SALAAM

ANTI-AMIN troops were reported mopping up the remaining pockets of resistance last night to their take-over of the Ugandan capital. Kampala. Ugandan exiles prepared to fly in an dset up a Government.

President Idi Amin was said to have fled the city to a new military headquarters a few miles east. With his most dependable troops defeated, he was expected to leave shortly for his northern stronghold beyond the Nile.

The fall of Kampala is a major psychological and military victory for the Tanzanian-backed invasion force. By committing his élite Nubian troops to the struggle for Kampala, Amin indicated that he regarded the battle as his final stand.

Initially, the administration of Uganda will be the responsibility of the Uganda National Liberation Front, a Ugandan exile Government led by Dr. Yusuf Lule, a 67-year-old academic.

Dr. Lule, chairman of the executive council of UNLF, said yesterday he believed law and order would be a big problem for the new Government. He feared that a backlash against supporters of Amin's Government was a strong possibility.

But he said the problems for Uganda were broader. "The people have lost confidence in themselves and have lost confidence in their country and their Government.

"If we are going to succeed in the rehabilitation of the economy then we think the people are most important."

He said the new Government must re-establish contact with the rest of the world. Once the state of the economy was clear, Uganda would look for outside assistance, including help from the World Bank and the International Monetary Fund.

He said little was known about the economy except that the country was heavily in debt.

Some external debt contracted before Amin came to power had not been serviced for the past eight years. Dr. Lyle hoped that coffee exports could soon restart once a stable Government was in power.

His own Government would not be based on the political formula of any other country.

Asked if he would try to form a socialist State along the lines of his close friend and backer President Julius Nyerere of Tanzania, he said: "The shape of the new Government in Uganda is not based on the Government in Tanzania.

"They are two different countries with two different Governments, and you must not make the mistake of thinking they are going to be the same Government."

Reconstruction of the country could take anything from two to six years, but, he said, UNLF was committed to an eventual return to democratic rule.

The new executive council contained both tribal and political elements he added. No special place has been reserved for Dr. Milton Obote, the former President, who has been living near Dar-es-Salaam since he was topple by Amin in 1971, and is a close friend of President Nyerere.

A Western correspondent in Kampala said the Tanzanian troops were greeted by residents like conquering heroes.

There had been instances of looting, said the correspondent, and that a few fleeing Ugandan soldiers loyal to President Amin had been beaten to death by civilians.

Tanzania has claimed that her casualties were very light in the final assault on Kampala, which began on Tuesday.

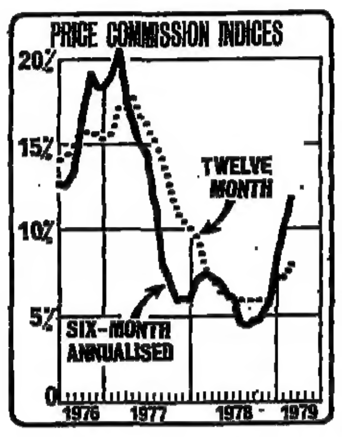
Though reports said that little damage was done despite the heavy artillery bombardment, only some parts of the city had water, electricity and telephones.

The Tanzanians have now taken control of the radio station. Col. David Ojok, one of the military commanders of the Uganda National Liberation Front, made the announcement that Kampala had fallen.

Editorial Comment Page 22

Price rise index up sharply

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT



THE PRICE Commission index of notified price rises, which gives an early warning of the trend in prices over the next few months, increased sharply again last month to reach the highest level since the summer of 1977.

The index showed that the increase in prices notified to the Commission in the six months to end March, expressed as an annual rate, was 11.8 per cent. The revised figure for February was 10 per cent, which was the first time the index had reached double figures for about 18 months.

But the Retail Price Index for March, which is due to be announced later today, is unlikely to go into double figures. The 12-month RPI last month was 9.6 per cent but Mr. Roy Hattersley, Prices Secretary, in a speech in Bury last night hinted that it would stay in single figures. He said that the Labour Government had brought the inflation rate down from 25 per cent to single figures and Conservative hopes that the economic position would get worse "look like being dashed again."

But the increase in the Price Commission index is a blow to the Labour Party's election campaign since it suggests that the general level of retail inflation will continue to rise over the next few months. Price rises notified by large manufacturing companies to the Price Commission usually take two to three months to filter through to the shops.

The Price Commission's index over the 12 months to March rose to 8 per cent after two months of stability.

In February, the revised figure was 7.2 per cent. But the Commission's six-month index expressed at an annual rate is usually regarded as a better indication of price trends than the 12-month index.

Mr. Charles Williams, Commission chairman, said yesterday that the rise in the Commission's index reflected the second round of increases this year in oil prices. "The oil company increases resulting from the OPEC decisions on crude oil prices and the interruption of the Iranian supply have had a considerable impact on the index," he said.

He also said that "increases on a lot of products other than petrol take a long time to get through to retail prices, whereas in our index they all show up straight away."

Mr. Williams acknowledged that "it is no use trying to pretend that all the increases will not be felt in the end." But he said that if the Commission was to give the same weight to petroleum products in its index as was given in the Retail Price Index, then "the increase would be quite significantly lower than the figure we have given."

Carter claims pay policy victory

BY JOHN WYLES IN NEW YORK

THE CARTER Administration moved swiftly yesterday to claim a significant victory for its pay policy after agreement on a three-year contract to end the 10-day closure of a large portion of the U.S. road-haulage industry.

The immediate importance of the settlement is that it should bring early relief to the motor industry, which was forced to close or slow more than 30 assembly plants for lack of parts.

Of perhaps greater concern to the U.S. Government will be the extent to which the Teamsters' Union's new contract, which on the surface appears to breach the pay policy, becomes the model for negotiations in the rubber industry, now moving towards a climax; and in the electrical and auto industries in the next few months.

Government spokesmen were anxious yesterday to dispel any impression that the Administration had been unduly flexible in its interpretation of the pay restraint guidelines, to make an agreement possible.

They produced estimates of the cost of the deal covering 300,000 drivers and warehousemen. These were significantly lower than the employers' analysis.

Strictly interpreted, the guidelines impose a 22.5 per cent ceiling on pay and benefits increases over three years.

With an eye on the teamsters' negotiations, the Administration excluded from this limit last December the cost of maintaining existing health and welfare benefits.

When the talks seemed near deadlock at the end of March, the Government excluded part of a cost-of-living increase paid on April 1, at the start of the new contract's life, and therefore, technically new money.

In this week's attempt to find a pact the Government gave its blessing to six-monthly cost-of-living payments instead of the annual increases paid under the expired contract.

Employers' negotiators estimate the cost of the deal at "more than 30 per cent." Mr. Jack Gentry, deputy adviser to the President on inflation, said that the total cost was 26 per cent.

Trade unionists open attack on Conservative manifesto

BY CHRISTIAN TYLER, LABOUR EDITOR

THE Conservative manifesto was described last night by union leaders as a "no hope document—a re-run of a very faded B film."

Mr. David Basnett, spokesman for the union campaign committee, *Trade Unions For a Labour Victory*, said the legal framework that brought the Conservatives to grief in 1974 was being resurrected, except that this time they had refused to be specific about what changes they proposed.

His sharpest criticism was directed at the proposal to limit welfare payments to strikers' families. "The Conservatives say there are too many strikes. During the last Tory Government 14m working days were lost compared with 5½m under this Labour Government."

Both Mr. Basnett and Mr. Moss Evans of the Transport Workers complained that the manifesto was so vague that the country would not know what was in the Conservatives' minds. At the same time it was full of lurking innuendo about the use of law and restrictions on pay bargaining, in spite of the pledge to keep out of private sector bargaining.

The Government's agreement with the TUC sneered at by the Conservatives, was the right way to achieve good industrial relations results, Mr. Basnett said. "If they want to sneer that is clearly not a good start for a possible relationship between the Tories and the trade unions."

The proposal to give workers excluded from unions right of redress in the High Court was attacked by Mr. Clive Jenkins, of the Association of Scientific, Technical and Managerial Staffs as "very dangerous." He said: "This creates a vast area of dispute, littered with anti-personnel mines."

Mr. Evans said the Conservatives planned to "sell off to their friends" the profitable parts of British industry, while saying nothing about what would happen to employees left behind in the unprofitable parts.

He also complained that the manifesto's comments on the social contract and its successor the concordat were "a slap in the face for all those who have made the sacrifices "to reduce the rate of inflation under Labour.

Earlier, members of the committee met Mr. Callaghan *to inform him of the committee's* plans during the campaign.

John Lloyd writes: Leading Labour Party figures reacted agrily to the measures on trade unions contained in the Conservative manifesto.

"Mean, despicable and provocative are the only words to describe the Tory threat to deny supplementary benefit to the wives and children of men on strike." said Mr. David Ennals, the Social Services Secretary.

"What is Mrs. Thatcher going to do with the children from whom she is withdrawing support? Take them into care? At £100 a week?"

Interviewed on ITN's World at One, Mr. Peter Shore, the Environment Secretary, said that the Conservative manifesto was "not a new beginning, but a dead end."

Saudis warn of further oil price increase

BY KEVIN DONE, ENERGY CORRESPONDENT

CRUDE OIL prices could rise again from the end of June—unless industrialised countries cut oil consumption and Iran maintains a high production level, Sheikh Ahmed Zaki Yamani, the Saudi Arabian Oil Minister warned yesterday.

He confirmed Saudi Arabian *crude oil production had been* cut by 1m barrels a day to 8.5m in response to rising Iranian oil output.

Iran is expected to decide its new crude oil prices by the weekend, but reports from some of its main customers already suggest a price of $16.57 a barrel for Iranian light, which would involve a surcharge of $1.91 a barrel above the basic OPEC price agreed in Geneva last month.

This would be a rise of some 29 per cent on the price set for Iranian light in the past quarter of 1978, before turmoil in the country halted oil exports at the end of December.

The price for Iranian heavy crude is expected to be about $46.04 a barrel, an increase from $12.49 at the end of last year. This would represent a surcharge of $1.80 a barrel, the same as the extra increase imposed earlier this week by Kuwait for its similar grade of crude.

Confirming the Saudi reduction from the 9.5m barrels a day allowed in the first quarter as an exception, Sheikh Yamani said: "At the end of the three-month period, the exceptional situation automatically ended and production levels climbed down to the original ceiling.

There is no need at the moment for an increase in production since Iran has succeeded in raising its production to about 4m barrels a day and in view of the desire of certain OPEC members to increase their production to meet any shortage in supply.

An increase in Saudi production in this kind of situation may encourage consumers to stockpile Saudi oil or cause a surplus—two developments that the Saudi Government is not keen to support.

On future price increases Sheikh Yamani warned: "If world consumption maintained its present high level, or if some importing states inflated demand to raise their stockpiles, or if Iranian production dropped below the 4m barrels a day level it would be extremely difficult to resist calls to increase *the price, especially* since the price is governed by market factors more than by OPEC's decisions.

Continued from Page 1

Union reform is Tory priority

Closed shops would be permitted only if an overwhelming majority of the workers involved voted for them by secret ballot.

A statutory code would govern all agreements; workers who were expelled from a union would have a right of appeal to a court of law; those who lost their jobs would be entitled to compensation.

The manifesto declares: "We will not permit a closed shop in the non-industrial service and we will resist further moves towards it in the newspaper industry."

In a further move against possible domination by "a handful of extremists," the party renews its pledge to provide public funds for postal ballots for union elections.

Trade union leaders' hostility yesterday was increased by the cursory references in the manifesto to worker participation and by the widely divergent approach to pay bargaining in the private and public sectors.

The manifesto admits that, even with more discussion of the Government's economic objectives, the return to responsible pay bargaining will not be easy.

It says: "Pay bargaining in the private sector should be left to the companies and workers concerned. At the end of the day, no one should or can protect them from the results of the agreements they make."

In the nationalised industries, pay increases would be governed by what each could afford. "There can be no question of subsidising excessive pay deals."

Pay in central and local government would have to be reconciled—in consultation with the unions—with cash limits on public spending.

"Public sector wage settlements must take full account of supply and demand, differences between regions, manning levels, job security and pensions," the manifesto states.

The manifesto shows itself determined also to reduce subsidies to industry and employment.

"Too much emphasis has been placed on attempts to preserve existing jobs. We need to concentrate more on the creation of conditions in which new . . . better-paid jobs come into existence."

Christian Tyler writes: Further details of the Conservatives union reform programme emerged later yesterday. On picketing and secondary action, the Tories would like to restrict trade union immunity so that only breaches of employment contracts would be protected from a damages claim.

Mr. Prior said that unions might also be made liable to damages if the High Court found that a worker had been unreasonably excluded from a union and lost his job.

Mr. Prior said: "There is nothing under existing law to stop a trade union leader going to jail if he wants to go there. We shall do our damndest to stop martyrs being created, and stop the Far Left being able to say that this is a vicious series of measures designed to undermine working-class solidarity—to use their language."

On pay Mr. Prior was cautious. Asked if the Conservatives would pay out the awards made by the standing commission on public sector workers comparability, he said they would, provided they were within cash limits. "We will need to look at the books

Rail fares warning

BRITISH RAIL gave a warning yesterday that another round of fare increases this year depends on the outcome of pay talks starting today with the rail unions. It will make its decision about mid-summer.

Fares rose by an average of 9 per cent in January, but Sir Peter Parker, BR chairman, who presented his annual report yesterday, referred to the possibility of a further rise.

"The current disarray of incomes policy must cast doubt on our ability to hold the line (on fares) through 1979," he said.

BR's net surplus in 1978 after interest and other charges fell to £6.4m from the £27m surplus of 1977.

British Rail annual report, Page 9

Continued from Page 1

Pound and gilts fall

pared with a minimum tender price of £97 per cent.

Tenders made at prices above £97.50 have been allotted in full, while tenders at £97.50 will receive only partial allotments.

Applicants for between £100 and £700 at £97.50 per cent have been allotted £100 nominal of stock, while those seeking between £800 and £1,200 have been allotted £200, and between £1,300 and £1,800 have obtained £300.

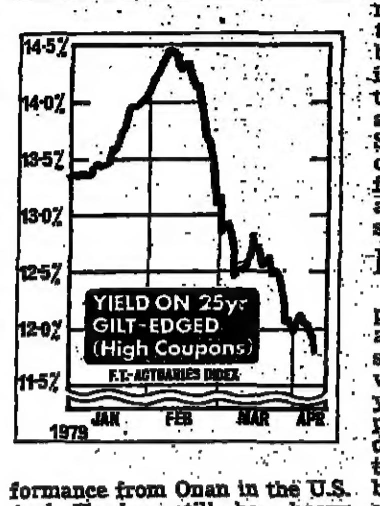
Tenders of £1,900 and above have been allotted between 18.88 and 20 per cent. Letters of allotment, and where appropriate refund cheques, were being posted last night.

These figures suggest that the stock was heavily over-subscribed. The partial-tender method avoids the embarrassment of late February when two new stocks were heavily in demand and yielded substantial immediate profits to successful applicants.

THE LEX COLUMN

A patchy outlook for Hawker

Index rose 3.0 to 538.7



In its second attempt at the tender formula the Bank of England has managed to squeeze an extra half-point out of subscribers, the striking price being set at 97¼. The gilt-edged market was fluctuating nervously ahead of the issue result, which came after hours last night, and the new stock could face a slightly tricky market debut this morning. The Price Commission's price index, showing inflation of 11.8 per cent over the past six months at an annualised rate, was already causing some profit taking in sterling in late dealings yesterday, ahead of the long Easter weekend. But today's official Retail Price Index will be more significant.

Meanwhile the Conservative Manifesto says much that the *City has wanted to see in terms of monetary discipline*, a reduction in public borrowing, and cuts in direct taxation. Yet equity investors will note that there are no commitments on the relaxation of dividend restraint or exchange controls, while the Price Commission *would be "reviewed"* rather than abolished. And a Tory Administration could find it one thing to denationalise the aerospace industry, as promised, but quite another to find buyers for shipyards.

Hawker Siddeley

Hawker Siddeley's balance-sheet is as strong as ever, but the short term outlook for profits is not exciting following a rise of £95m to £118m pre-tax in 1978. Overall order books were more or less unchanged in money term over the course of the year, and the trading background in important parts of the business is distinctly patchy.

In electrical engineering, for instance, sales have jumped by more than a quarter, but pre-interest profits are only marginally higher at £38m—including an initial contribution of around £5m from Carlton Industries. Turnover has been inflated by big power engineering contracts which have yet to make much impact on profits. In addition, a swing into losses in South Africa has knocked out more than £2m and margins have been squeezed on the Vidor battery side. Elsewhere, the heavy diesel companies have been finding it difficult to fill factory space, while Lister and Petter have been hit by the disappearance of the Middle East market for lighter diesel equipment.

Most of the acquisitions are doing well, however, with plenty of orders for Gardner's automotive diesels and a good performance from Onan in the U.S. And Hawker still has heavy firepower for further bids. Including deferred tax and minority interests, stockholders' funds amount to nearly £500m, and there is net cash of about *£120m left after purchase of* Westinghouse. Hawker's trading side last year generated about £25m ore than it spent on fixed assets and working capital, and inflation adjusted earnings cover the dividend more than four times. The shares yield 2.6 per cent at 260p—and ought to be able roughly to double that under dividend freedom.

W. H. Smith

Thanks to a 70 per cent drop in the tax charge W. H. Smith has been able to push its attributable profits up by nearly 50 per cent and its dividend has been raised by just over 40 per cent. However, at the pre-tax level the performance is nowhere near as sparkling. After three years of heady growth, W. H. Smith's pre-tax profits of £20.2m have marked time in 1978-79 even though sales continue to grow at their regular rate of just over 20 per cent per annum.

Last night the shares closed 21p lower at 174p and they could drop further, since at current levels a yield of 2.7 per cent is little support. After *adjusting for an extra week's* sales, Smith's profits are marginally down, and while extra depreciation (£1.8m) and the cost of disruption on the wholesale side (£1.5m, say) go some way towards explaining the slowdown, they are not sufficient in themselves.

Smith's costs appear to have been galloping ahead of the rate of price inflation on many of its products—a *far* from healthy sign in a low margin business. To reduce its heavy dependence on the Christmas trade, and the wholesale operation, Smith has been diversifying into lower margin merchandise sold throughout the year. It has also been paying a high price to get into the DIY market. The fact that the group chief executive, a great-great-grandson of W. H. Smith, resigned last year, indicates that there have been differences of opinion recently about the wisdom of this strategy.

Babcock & Wilcox

Babcock and Wilcox's pre-tax profits, up 23 per cent at £38.6m, are distorted by the usual sprinkling of exceptional items, which add around £3m to this year's figure. But more importantly, profits were again depressed *by losses amounting* to £4.6m at Hardstock, a house-building company that has been an unconscionable time dying. Babcock hopes this liability is now completely covered.

In the home market, 1978 was rather a poor year—Babcock claims the business climate *was the worst for some time*, which puts the retail boom in its place. However, the worldwide outlook for the current year, without being exciting, looks rather good. The order books are healthy except in construction equipment and there should be £3m of loss elimination in Germany and Australia, as well as the plugging of the Hardstock drain.

Most pleasingly, orders seem to be coming through on the contracting side, which should bring the group into better balance recently the manufacturing side, led by American Chain and Cable, has tended to predominate. This year Babcock could make over £48m, which would more than compensate for the dilution in equity from bond conversions. At 167p the historic p/e, fully-taxed and diluted, is about 9.4, and the yield 5.3 per cent.

Rockwell/Wilmot

The statement from the Take-over Panel on the Wilmot Breeden affair shows how difficult it is to combine the role of policeman and judge. In this case there is a dispute over what *the Panel executive actually told* Warburg by telephone the day before Warburg sent Cazenove into the market to buy Wilmot shares heavily at 115p. The doubts make the Panel "hesitate" to describe the earlier Warburg-Lazard indication of a 95p bid price as an error of judgment. Rockwell, which is declared free to go ahead with its offer, must be baffled at its experience of self-regulation in action.

Weather

UK TODAY

SHOWERY over all parts with temperatures possibly below normal in th enorth. Max. 14C (57F).

London, Midlands, S.E., Cent. S. England
Early fog patches. Some bright intervals with showers, heavy at times.

Ulster, Wales, S.W. England, N.W. Scotland, Channel Isles, Isle of Man
Showers, perhaps prolonged and heavy at times. Some bright or sunny intervals.

N. England, S.W. Scotland, Cent. Highlands
Bright or sunny intervals. Showers developing.

Rest of Scotland
Rather cloudy with occasional rain or drizzle. Hill and coast fog.

● Outlook: Little general change.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	15	59	Locarno	R	9	48
Algiers	C	17	63	London	F	15	59
Amsdm.	F	16	61	Luxmbg.	C	11	52
Athens	S	17	63	Luxor	S	38	100
Bahrain	S	28	84	Madrid	F	12	54
Barclna.	S	18	64	Majorca	F	17	63
Beirut	F	23	73	Malaga	F	17	63
Belfast	C	8	46	Malta	S	18	64
Belgrd.	S	14	57	M'chstr.	C	11	52
Berlin	S	16	61	Melbne.	C	12	54
Biarritz	F	14	57	Milan	R	10	50
Bmghm.	R	12	54	Mntreal.	S	6	43
Blackpl.	R	11	52	Moscow	C	1	34
Bordx.	C	13	55	Munich	S	15	59
Boulgn.	F	16	61	Nairobi	S	20	68
Bristol	C	14	57	Naples	F	17	63
Brussels	C	15	59	Nwcstl.	C	9	48
Budpst.	F	14	57	N. York	S	12	54
B. Aires	S	18	64	Nice	C	14	57
Cairo	S	30	86	Oporto	R	13	55
Cardiff	F	13	55	Oslo	S	10	50
Cas'b'ca	C	16	61	Paris	F	16	61
Cape T.	C	18	65	Perth	S	23	73
Chicago	C	3	38	Prague	S	15	59
Cologne	S	16	61	Reykjvk.	S	−1	30
Cpnhgn.	S	18	64	Rhodes	F	17	63
Corfu	F	16	61	Rio J'o	S	27	80
Dublin	C	9	48	Rome	C	16	61
Dbrvnk.	F	15	59	Salzbrg.	S	17	63
Ednbgh.	R	8	46	Singapr.	R	26	78
Faro	S	17	63	Stckhm.	F	11	52
Frankft.	S	16	61	Strasbg.	R	12	54
Geneva	C	11	52	Sydney	S	19	66
Gibrltr.	F	17	63	Tangier	C	16	61
Glasgow	R	10	50	Tehran	S	24	75
G'nsey	F	11	52	Tel Aviv	S	23	73
Helsinki	F	7	45	Tenerife	C	14	57
H. Kong	S	21	71	Tokyo	C	21	70
Innsbrk.	F	16	61	Toronto	S	5	40
Invrnss.	C	7	45	Tunis	C	18	64
Istanbul	F	14	57	Valencia	F	17	63
Jersey	F	13	55	Venice	F	15	59
Jo'burg	S	22	72	Vienna	S	16	61
L. Plms.	C	19	66	Warsaw	S	10	50
Lisbon	F	13	55	Zurich	F	14	57

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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